

DEPARTMENT:
Public Health

BY:
C. B. Mosher, MD, MPH, Health Officer

PHONE:
966-3689

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes___ No_x_)

Recommend resolution authorizing Chairman of the Board to sign letters to HCFA, to Congressman Radanovich, and to Governor Gray Davis regarding proposed new Medicare Fee Schedule for Ambulance Service.

It has been brought to the attention of the Ambulance Sub-committee of the Board that a new proposed fee schedule for ambulance service reimbursement under Medicare (to take effect January 1, 2001) would result in a **reduction** in revenue to the current ambulance provider of between 8% and 40% over the next four years. The implications for a request for increased County subsidy and/or for reduction in services by the ambulance company, are significant. The deadline for receiving written comments on this proposed fee schedule is November 13th.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The County subsidizes the ambulance service, offsetting losses where fee for service collection is inadequate, in order to maintain ambulance services in the County. The Board has recently been successful in negotiating an annually decreasing subsidy schedule which may well be jeopardized by the proposed Medicare fee schedule.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Silence may be interpreted by HCFA as acquiescence to the proposed fee schedule.

COSTS: Not Applicable

A. Budgeted current FY \$ _____

B. Total anticipated costs \$ _____

C. Required additional funding \$ _____

D. Internal transfers \$ _____

SOURCE: 4/5ths Vote Required

A. Unanticipated revenues \$ _____

B. Reserve for contingencies \$ _____

C. Source description: _____

Balance in Reserve for Contingencies, if approved: \$ _____

SPECIAL INSTRUCTIONS:
List the attachments and number the pages consecutively:
Letters to HCFA, Congress
Member Radanovich, and Gov
Davis

CLERK'S USE ONLY:
Res. No.: 00-371 Ord. No. _____
Vote - Ayes: _____ Noes: _____
Absent: _____ Abstained: _____
Approved _____ Denied _____
Minute Order Attached No Action Necessary

ADMINISTRATIVE OFFICER'S RECOMMENDATION:
This item on agenda as:
____ Recommended
____ Not Recommended
____ For Policy Determination
____ Submitted with Comment
____ Returned for Further Action
Comment: _____
A.O. Initials: CMW

The foregoing instrument is a correct copy of the original on file in this office.
Date: _____
ATTEST: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: _____
Deputy

Mariposa County Board of Supervisors



District 1.....PATTI A. REILLY
District 2.....DOUG BALMAIN
District 3.....ROBERT C. STEWART
District 4.....GARRY R. PARKER
District 5.....BOB PICKARD

VACANT
County Administrative Officer

MARGIE WILLIAMS
Clerk of the Board

P.O. Box 784
MARIPOSA, CALIFORNIA 95338
(209) 966-3222
1-800-736-1252

FAX (209) 966-5147

October 24, 2000

Health Care Financing Agency
Department of Health and Human Services
ATTN: HCFA-1002-P
Post Office Box 8013
Baltimore, Maryland 21244-8013

RE: Proposed Fee Schedule for Medicare Ambulance Payment

Dear Sirs:

On behalf of the Board of Supervisors of Mariposa County, I have been directed to request that implementation of the recently proposed fee schedule for Medicare ambulance payment be delayed indefinitely, until such time as a systematic and accurate analysis of costs and fee schedules for ambulance service can be performed and subsequently utilized as a base for a more realistic fee schedule.

Our analysis of the proposed fee schedule manifests a significant reduction in reimbursement for services over what is currently paid in California, and jeopardizes the ambulance service in Mariposa County. It seems to us that a severe reduction of reimbursement for critical health care service such as ambulance service in the face of ever increasing costs (particularly personnel costs) virtually guarantees reduction in services. This would not be in the best interest of the citizens who depend upon this service, particularly those who are Medicare eligible.

Geographic locations such as Mariposa County may very well feel this most acutely. To help you understand this issue, some of the aspects about providing ambulance service in Mariposa County are as follows:

1. Much of Mariposa County is wilderness and what is not, is rural. Distances that an ambulance must cover to come to the aid of a victim after a 911 call are measured in the dozens of miles.

2. Seasonally, the population of Mariposa County increases dramatically with the arrival of tourists travelling to and from Yosemite National Park. These tourists must be provided ambulance service. However, ambulance service must be available year round and cannot survive on fee-for-service alone during tourist season, let alone during the lean, non-tourist months, particularly if reimbursements are declining.
3. Unlike an urban setting, call volumes are low in rural areas, and, therefore, cost recovery on a fee-for-service basis is likewise low.
4. There are areas of this County where the only available medical service to population centers is the ambulance: no hospital, no doctors' offices, no physicians, no urgent care centers.

It seems to us that HCFA must not have had available to it a realistic analysis of the cost of providing ambulance services in low density, fluctuating demand areas such as Mariposa County or the proposed fee schedule would never have been elaborated in its present form. We trust you will do the right thing, by delaying implementation of the proposed fee schedule until such time as an accurate cost analysis and fee schedule analysis of all areas of the country can be performed so that the new fee schedule does not become known as the cause of ambulance service disintegration.

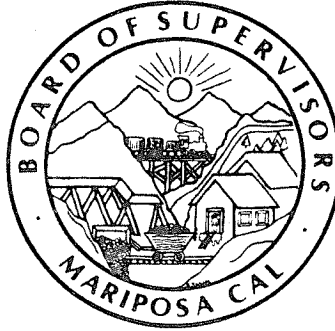
Very truly yours,



Garry R. Parker, Chairman
Board of Supervisors

cc: George Radanovich, Congressman
Members, Board of Supervisors
Jeff Green, County Counsel
Rick Roesch, Mercy Ambulance
RCRC
M-VEMSA
CSAC
C. B. Mosher, MD, MPH, Health Officer

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October 24, 2000

Honorable George Radanovich
Congressman, District 19
313 Cannon House Office Building
Washington, D. C. 20515-0518

Dear Congressman Radanovich:

On behalf of the Mariposa County Board of Supervisors, I must call your attention to the recently issued proposed Rule establishing a fee schedule for Medicare payment of ambulance services (promulgated by HCFA). The fee schedule, if implemented, would result in an immediate and annually worsening reduction in fee-for-service reimbursement to the ambulance service of Mariposa County.

As you know, ambulance service is available in Mariposa County only because of a delicately balanced funding plan which includes fee-for-service revenue and taxpayers' subsidy on a decreasing schedule. As you also know, ambulance service is provided not only to the citizens of Mariposa County but also to numerous tourists who visit Yosemite National Park and Mariposa County annually.

Information we have implies that a thorough study of costs and current fee schedules of ambulance services may not have been conducted prior to HCFA promulgating the proposed schedule. In fact, a wide disparity between current fee schedules in eastern states as compared with western states reinforces that impression. Ambulance services in some areas in the country would realize an increase in Medicare reimbursement for services while other areas (including Mariposa County) would realize drastic, immediate, reductions.

We request that you do whatever you can to urge HCFA to delay indefinitely implementation of the proposed Rule and to undertake a thorough, rational, systematic cost analysis and current fee schedule analysis for existing ambulance services to be taken into consideration when proposing a new, more rational and less draconian, fee schedule.

Additionally, it is our understanding that there is a movement in Congress to hold hearings and to increase funding for Medicare ambulance services and you may wish to explore the advisability of promoting that action as well.

Thank you for your attention and support in this really important issue. The fate of ambulance service in Mariposa County may very well hang in the balance.

Sincerely,



Garry R. Parker, Chairman
Board of Supervisors

Enclosed, letter to HCFA

cc: Members, Board of Supervisors
Jeff Green, County Counsel
Rick Roesch, Mercy Ambulance
R.C.R.C.
M-V EMSA
CSAC
C. B. Mosher, MD, MPH, Health Officer

bcc: Margie Williams, Clerk of the Board

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Board of Supervisors

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October 24, 2000

The Honorable Gray Davis
Governor of the State of California
State Capitol
Sacramento, California 95814

RE: Adverse Impact of Medicare Ambulance Fee
Schedule on Emergency Medical Services

Dear Governor Davis:

The Health Care Finance Administration (HCFA) has proposed a Medicare Ambulance Fee Schedule (AFS) that, while nationally budget neutral, will shift tens of millions of dollars out of California, significantly impacting the health care safety net for all citizens of this state.

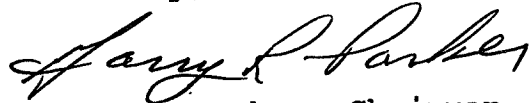
The methodologies used to construct the AFS do not reflect the cost for delivery of ambulance services in California based upon our statutes, regulations, standards, and public expectations. The AFS will create a windfall for other states in the nation at the expense of California. Direct impacts will include erosion of California's Emergency Medical Services through extended emergency response times, reductions in quality of emergency care, and failure of an unacceptable number of ambulance service providers throughout the state, especially in rural communities. Additionally, the infrastructures necessary to implement the AFS by the January 1, 2001, start date are wholly inadequate.

The proposed AFS will begin January 1, 2001, unless immediate action is taken. The Mariposa County Board of Supervisors respectfully asks that you request a delay of implementation of the

AFS, and a congressional hearing on the disproportionate impact of the AFS on California.

Thank you for your prompt attention to this important issue.

Sincerely,



Garry R. Parker, Chairman
Mariposa County Board of Supervisors

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Rick Roesch, Owner, Mercy Ambulance
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