



## TOWN OF BROOKLINE, NEW HAMPSHIRE

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### *Minutes Ambulance Billing Evaluation Committee October 10, 2018*

Attendees: Brendan Denehy, Todd Christensen, Shawn Jackson, Jim Deffely, Tim McGettigan, and Tad Putney. Absent: Linda Chomiak.

#### **Elections**

**Brendan** was elected committee chair, **Shawn** was elected committee vice-chair, and **Tad** was elected secretary by unanimous votes.

#### **Review of Charter**

**Brendan** provided a brief background of the ambulance billing topic. He then reviewed the purpose and scope of the committee's charter, including the deadline of having findings and recommendations prepared by the December 17<sup>th</sup> Selectboard meeting.

#### **Review of Historical Documents**

**Tad** referred to a handout that had been provided to members in advance of the meeting. They included a warrant article in 1991, and the meeting minutes, where voters approved the elimination of all charges for ambulance services by a vote of 53 to 14. He also detailed a 2000 town meeting warrant article to bill patients and insurance companies for ambulance services and that the meeting minutes showed the article failed by a vote of 176 to 43. **Tad** also referenced ambulance committee reports that had been prepared in 1988 and 1999, which looked at the question of billing for ambulance services. **Jim** provided background information on the 1999 committee on which he was a member. He said it seems the question seems to come up every ten years or so.

#### **Ambulance Service Work to Date**

**Shawn** said that he started in his position in June. Prior to coming on board, he said **Jan Watt** served as Interim Director for 8 months and during that time she and other members did significant work on the question of billing. He said that he reviewed their work and found their assumptions to be in-line with those he would use. **Shawn** noted that EMTs generally bill at a BLS rate, while AEMTs and Paramedics generally bill at an ALS rate, but it can be dependent on what is actually done at a call. He said that Medicare reimbursement barely covers costs and most towns charge the Medicare rate, plus a certain rate, which is set by the Selectboard, as well as the mileage rate. He said that private insurance rates are higher than Medicare. **Shawn** said that a spreadsheet was created by members of the ambulance service before he got here. It serves as a tool to

*Ambulance Billing Evaluation Committee – Minutes*  
*October 10, 2018*  
*Page 2*

model the financial impacts of potential billing using Brookline's recent call history and other assumptions. He said a challenge of the model is that we do not know:

- What percentage of calls would be covered by Medicare
- What percentage of calls would be covered by private insurance
- What percentage would not be covered
- What percentage of calls would be covered by car insurance (for accidents)

**Shawn** said that collecting 60% of billable revenue is a good average. Additionally, he noted there has been work done on several staffing models.

**Shawn** noted that the ambulance service has about 400 calls per year and about 300 of them are transports, which are billable.

**Jim** noted that the billing rate is determined by what the responder does on the call, not their level of training. He said in a prior position at another service with 750 calls per year, he and the other attendants spent most of their downtime on the phone and doing paperwork to collect bills. He said it is important to know that once you start billing anyone, you need to bill everyone per Medicare law. **Shawn** said it is referred to as "balanced billing".

**Shawn** provided information on current Medicare reimbursement rates:

- BLS emergency call: \$364.98 thru 2023
- ALS-1 emergency call: \$433.41 thru 2024
- ALS-2 emergency call: \$627.30 thru 2024

**Jim** said that the rates were set regardless of the time spent on a call and the call also requires patient transport.

**Shawn** said that the Medicare mileage reimbursement rate is \$7.11 per mile thru 2023.

**Todd** asked if we track what we would bill if we did. **Shawn** said no, but we could.

**Jim** said that in 1999 the study committee talked about where the billing revenue should go. He said in Milford it goes into the general fund, but the prior committee had discussed creating a capital reserve fund to purchase a new ambulance.

**Jim** said that he has never seen an emergency service operate at a profit.

**Shawn** said that there are a few staffing models that have been considered. He said of the 19 other service members, 17 work out of town, which limits available coverage during the weekday hours when he or **Jan** are out and need coverage. At this point, he said, compensation for such coverage shifts has been discontinued to ensure compliance with the Fair Labor Standards Act. He said that an ambulance service staffing committee has developed 10 potential staffing models and completed a SWOT analysis on each alternative. He handed out a summary of the work that had been completed to date. He

*Ambulance Billing Evaluation Committee – Minutes*

*October 10, 2018*

*Page 3*

said that the “pay per call” model, much like the one currently used by the fire department, was favored. He said it has the greatest strengths and the least weaknesses.

**Shawn** walked the members through the billing model that had been developed prior to his arrival. He showed that it had assumed billing rates of \$600 for BLS and \$1,000 for ALS calls. He showed the estimated annual revenue that would be generated, including at Medicare and private insurance rates. Assuming all bills were paid, which was noted as overly optimistic, the model estimated about \$206,000 in annual revenue.

**Shawn** said that before he started here the attendants were surveyed on the potential move to billing. He said that a majority of the group expected to be paid if the town went to billing. To that end, he showed that the model incorporates assumed pay levels of attendants at assumed staffing levels. He noted that the current version of the model showed 0% uncollectible and we should assume a figure closer to 40% for uncollectibles. He noted that the model shows a net loss for the department under the scenario currently in the model.

Members agreed that **Shawn** should make some additional updates to the model so that its assumptions reflect our best estimates for staffing, pay and uncollectible levels.

**Shawn** said that once we incorporate the new figures, he thinks the net tax impact for the ambulance service may not be very different from what it is today.

**Shawn** noted that if we did billing, ambulance service members will need to spend more time on billing-related/mandated work that is not required today. He said very particular words are needed for billing per the insurance companies.

**Shawn** noted that since he started we have had only one mutual aid call to us (and it was actually to Mason).

**Shawn** suggested the town will never make money based on only 300 transports a year and he is concerned about its other impacts on the service, including requirements that will take away from members’ other duties. **Brendan** noted his concern has been that billing may cause some to not call for service or decide to drive themselves to the hospital.

**Todd** asked about gap insurance and whether the town could get it to recoup unpaid bills. He said he thinks it would likely cost the town over the long-term, but would allow for smoothing the revenue stream for budgeting purposes. **Todd** said he would look into the topic further.

**Next Steps**

**Brendan** asked about next steps. **Tad** suggested the model be revised to reflect new information (pay levels, uncollectibles, staffing), which would address the first scope item in our charter. He suggested then reviewing the model with a third-party billing service for their input, which would address the second scope item in the charter. He said that once the model is updated, we could invite residents in who are supporters of billing to see the model and discuss it further. **Todd** said that he thought a billing service would

*Ambulance Billing Evaluation Committee – Minutes*

*October 10, 2018*

*Page 4*

not have a vested interest in the model and therefore would likely poke holes in it. Members agreed that would serve a good, robust challenge to the model.

**Tim** said if we go to billing, we may need to consider some per diems as some service members have said they would leave. **Shawn** said we would need to consider costs for such new hires.

**Shawn** asked **Tad** for the tax impact of the ambulance service's net 2018 budget. **Tad** said he would forward it to **Shawn**.

**Shawn** said he knows three billing companies he can reach out to for input. He said two weeks was a reasonable time for him to complete his work on the model in advance of the next meeting.

**Next Meeting**

The next meeting was set for Tuesday, October 30<sup>th</sup> at 6:30pm in the Town Hall meeting room.

Meeting adjourned at 8:25pm.

Minutes submitted by Tad Putney.