

## Memorandum

To: Cape Elizabeth Town Council

From: Matthew E. Sturgis, Town Manager

Re: Rescue Fees

Date: April 3, 2019

In February Chief Gleeson reviewed our current rescue rates. After performing his review and comparison to rescue fees charged by surrounding communities, he advised me of the need for the Town to update the fees charged for providing rescue services. The Town last reviewed and revised its rates in 2015. After the Chief reviewed our rates with our billing company, Medical Reimbursement, he provided recommended new rates for the council to consider.

Currently the Town bills for three forms of transport: basic life support, advanced life support, and advanced life support 2. We also bill mileage per loaded mile. When the rates were revised in 2015 the Town went to a flat rate billing system for each transport. The flat rate billing system resulted in a less complicated billing method as the rates were set at \$600.00 for basic life support transport and \$900.00 for advanced life support transport and advanced life support 2. The Town also set a per mile charge of \$14.00 per mile for transport. The flat rate has made it easier to project revenue as we can track whether a call was an advanced or basic transport as opposed to reviewing each call to see what services were provided.

The recommendation now is to update the current rates for basic life support to \$700, advanced life support to \$1,000, advanced life support 2 to \$1,200, and the mileage rate at \$18.00. In the chart below is the estimated revenues based on the proposed updated fees, minus the fee for billing services and the adjusted revenue due to Medicare / Maine Care / Blue Cross payment rates which are set below the proposed rates and constitute roughly seventy percent of rescue responses.

	Current	Last Change	Proposed	Runs	Estimated Revenue
<b>RESCUE FEES</b>					
Basic Life Support	\$ 600	February-15	\$ 700	350	\$ 245,000
Advanced Life Support	\$ 900	February-15	\$ 1,000	500	\$ 500,000
Advanced Life Support 2	\$ 900	February-15	\$ 1,200	20	\$ 24,000
				Miles	
Mileage Per Loaded Mile	\$ 14	February-15	\$ 18	4,675	\$ 84,150
<b>Gross Revenues</b>					\$ 853,150
<b>Billing Fee for Services</b>				-8%	\$ (68,252)
<b>Sub Total</b>					\$ 784,898
<b>Collectible Amount*</b>				40%	\$ 313,959
<b>Discount related to negotiated rates with BC/BS Medicaid and MaineCare</b>					

Chief Gleeson will be in attendance at the council meeting April 8 to address any questions on this recommendation.