

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: President and Village Board of Trustees

FROM: Scott Niehaus, Village Manager

DATE: August 29, 2017 (COW)(B of T): September 7, 2017

TITLE: AN ORDINANCE AMENDING TITLE IX, CHAPTER 91, SECTION 91.21(A) OF THE LOMBARD VILLAGE CODE IN REGARD TO EMERGENCY MEDICAL SERVICE CHARGES

SUBMITTED BY: Timothy Sexton, Director of Finance and Richard Sander, Fire Chief

BACKGROUND/POLICY IMPLICATIONS:

On July 24, 2017, the Finance and Administration Committee unanimously voted to recommend that the Village Board increase the emergency medical service charges to \$1600 for residents and \$1900 for non-residents. The Village Board reviewed the recommended changes at the budget workshop on August 28, 2017. Village Attorney Tom Bayer prepared the attached ordinance for approval by the Village Board in order to amend the emergency medical service charges as discussed to be effective January 1, 2018.

FISCAL IMPACT:

N/A

REVIEW (as needed):

Village Attorney XX _____ Date _____
Finance Director XX Timothy Sexton Date 8/29/17
Village Manager XX _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 Noon, Wednesday, prior to the Board Agenda distribution.

DRAFT PROPOSED



DRAFT -- PROPOSED

**Village of Lombard
Communications Plan
Ambulance Fee Increase**

Purpose of the Ambulance Fee Increase

The last time that the Village adjusted its ambulance fees was in calendar year 2009. Since that time the cost of providing ambulance services has increased as well as the fees charged in other comparable communities.

Goal

The objective of this plan is to raise public understanding of the new ambulance fees and policy issues related to ambulance fees

The objectives are to:

- Inform the residents of the new ambulance fees
- Prepare residents adequately for a proposed January 1, 2018 ambulance fee increase
- Be sure residents understand that the policy issues related to ambulance fees on these four items;
 - Cost Recovery
 - Elimination of Fee Differential between ALS & BLS
 - Resident vs Non-Resident Rate
 - Out of Pocket Expenses

Audiences

The audience this communications plan is directed toward includes:

Public:

1. All residents
2. All businesses

Media:

- Village Press Release: Print/Online (Lombardian, Suburban Life, Daily Herald, Chicago Tribune, Chicago Sun-Times)

Key Messages

- **Cost Recovery**—The Village Board established a policy related to ambulance fees to attempt to recover 100% of the annual expense related to the personnel cost of ambulance service (excluding pensions)
 - Benefits
 - To provide direction for future adjustments to the ambulance fees on a rational and non-political basis
 - Ensure we don't go 8 years without adjusting fees
- **Fee Differential** -- The Village Board eliminated the fee differential for ALS and BLS
 - Research shows that most communities do not have different fees based upon level of ambulance support
 - Moving to a flat fee structure will streamline the billing process and be more efficient
 - There is very little cost difference based on type of call because the same personnel respond with the same equipment
- **Resident vs Non-Resident Rate** – The new rate is \$1,600 for the resident rate and \$1,900 for a non-resident rate
 - Past practice has been to have a reduced rate for Village residents based on the philosophy that residents pay property taxes which help subsidize the fixed costs associated with EMS services
 - The discount is minor as the overall service is in line with a “user fee” basis that applies charges to citizens that use the service as opposed to those that do not use the service
- **Out of Pocket Expenses** – Residents will not be billed for out of pocket expenses
 - Past practice has been to bill both residents and non-residents when insurance does not cover 100% of the ambulance fees
 - It is possible that non-residents may be billed for out of pocket expenses with a fee increase
 - The following area departments do not bill out of pocket expenses to residents
 - Naperville, Addison, Itasca, Lisle /Woodridge, Warrenville, Tri State, Wheaton, Darien, Carol Stream

Action Plan

In an effort to keep residents, business, community leaders and the media informed of the ambulance fee increase, the Village of Lombard has/will execute an ongoing and comprehensive communications plan containing the following:

1. Write a follow-up press release and send to media
2. Post press release on Village website
3. Use social media to share information and respond to questions
4. Create FAQ sheet for employees and for resident access

FAQ's Regarding Ambulance Billing

Why Does the Village Need to Increase Ambulance Fees?

The last time that the Village adjusted its ambulance fees was in calendar year 2009. Since that time the cost of providing ambulance services has increased as well as the fees charged in other comparable communities.

Why Does the Village Charge for Ambulance Service if Resident's Pay Property Taxes?

When someone pays property taxes, they are paying for the ambulance to be staffed and available for their use if needed. When someone actually uses an ambulance for an emergency service, there are certain costs that are incurred by the Village and billing the user of the ambulance helps to recoup that cost. User fees/ambulance billing charges these costs to the individuals who use the services.

How Did the Village Come Up With the New Fees?

As part of the annual budget process and discussions that took place in February/March 2017, Village staff was directed to conduct research on the Village's ambulance fee structure and provide it to the Finance and Administration Committee as part of Village Board Budget Workshop discussions for FY 2018 scheduled in August.

Information was compiled through a collaborative and participatory process that included staff from the Finance Department, Fire Department and Village Manager's Office. It should be noted that the Fire Department group included multiple layers of staff including Lieutenants and Firefighters.

Information compiled included Village of Lombard demographics, comparable data to other local agencies, and various rate model options.

How Often Do the Ambulance Fees Increase?

Village staff will review ambulance fees annually. The Village Board established a new policy related to ambulance fees to attempt to recover 100% of the annual expense related to the personnel cost of ambulance service (excluding pensions). This policy provides direction for future adjustments to the ambulance fees on a rational and non-political basis.

Why is the fee the same for Basic Life Support (BLS) and Advanced Life Support (ALS)?

The Village Board eliminated the fee differential for ALS and BLS. There is very little cost difference based on type of call because the same personnel respond with the same equipment. In addition, research shows that most communities do not have

DRAFT PROPOSED

different fees based upon level of ambulance support. Finally, moving to a flat fee structure will streamline the billing process and be more efficient

What are the New Ambulance Fees?

The new rate is \$1,600 for the resident rate and \$1,900 for a non-resident rate. There is a reduced rate for Village residents based on the philosophy that residents pay property taxes which help subsidize the fixed costs associated with EMS services. The discount is minor as the overall service is in line with a "user fee" basis that applies charges to citizens that use the service as opposed to those that do not use the service.

In addition, residents will not be billed for out of pocket expenses. Other local departments that do not bill residents for out of pocket expenses are Naperville, Addison, Itasca, Lisle/Woodridge, Warrenville, Tri State, Wheaton, Darien, Carol Stream.

PROPOSED 2018

Ambulance Fee

Village of Lombard



- When you pay your property taxes, you are paying for the ambulance to be staffed and available.
- When someone actually uses an ambulance for an emergency service, there are certain costs that are incurred by the Village and billing the user of the ambulance helps to recoup that cost. User fees/ambulance billing charges these costs to the individuals who use the services.

Why a User Fee?



- Fire Department Expenditures Total 2017 Budget: \$12.3 Million
- EMS Personnel Costs: \$2 Million or 16% of Fire Department Budget
- 2018 proposed rate increase are projected to recover 100% of the 2018 EMS personnel expenses.
- In 2016, charges only recovered 70% of the Village's EMS personnel costs (not including pension expenses). Pension, fleet, and operating costs are subsidized through property taxes and other general fund revenues.

Budget



- The proposed resident rate is \$1,600 for all transports provided by the Village of Lombard. The insurance company will be billed for the entire amount.
- Lombard residents will not be billed for out of pocket expenses.

Proposed Resident Rate



- The proposed visitor rate is \$1,900 for all transports. The insurance company will be billed for the entire amount.
- A visitor will only receive a bill for service if their insurance does not cover the full amount.

Proposed Non-Resident Rate

ORDINANCE NO. _____

**AN ORDINANCE AMENDING
TITLE IX, CHAPTER 91, SECTION 91.21(A)
OF THE LOMBARD VILLAGE CODE IN REGARD TO
EMERGENCY MEDICAL SERVICE CHARGES**

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That, effective January 1, 2018, Title IX, Chapter 91, Section 91.21(A) of the Lombard Village Code is amended as follows:

- A. The references to "\$440.00," "\$580.00" and "\$700.00," as set forth in the chart contained therein, are all hereby revised to read "\$1,600.00."
- B. The references to "\$750.00," "\$970.00" and "\$1,100.00," as set forth in the chart contained therein, are all hereby revised to read "\$1,900.00."

SECTION 2: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as provided by law.

Passed on first reading this _____ day of _____, 2017.

First reading waived by action of the Board of Trustees this ___ day of _____, 2017.

Passed on second reading this _____ day of _____, 2017, pursuant to a roll call vote as follows.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2017.

Keith Giagnorio, Village President

ATTEST:

Sharon Kuderna, Village Clerk

Published by me in pamphlet form this _____ day of _____, 2017.

Sharon Kuderna, Village Clerk