THE ORIGINAL DOCUMENT IS OVER 100 PAGES. A COPY OF THE DETAIL LISTING OF UNCOLLECTIBLE ACCOUNTS CAN BE VIEWED IN ADMINISTRATION.

Agenda Item #:

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

35-1

AGENDA ITEM SUMMARY

======================================	7	[X Consent] Workshop	==== [[] Regular Public Hearing
Department:	Fire-Rescue			
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I. EXECUTIVE BRIEF

Motion and Title:

Staff recommends motion to approve: The write-off of uncollectible Advance Life Support (ALS) transport accounts to remove these amounts from the County's financial books for the following period:

October 1, 2002 through September 30, 2003 (FY03) \$2,480,697.54
October 1, 2003 through September 30, 2004 (FY04) \$2,937,075.73
\$5,417,773.27

Summary:

In December 1994, the Board authorized Fire Rescue to transport critically ill/injured patients and bill for those services. The County contracts with a private company for these billings and collections services. The County receives payment from a number of sources, including commercial insurance, Medicare, Medicaid, and private individuals. During the period October 1, 2002 to September 30, 2004, Fire Rescue generated \$20,288,270.40 in gross transport billings and collected (to-date) \$13,291,675.25 or 65.5%. After adjustments, the balance of \$5,417,773.27 is currently deemed to be uncollectible and staff recommends that this amount be written-off the County's financial books. The write-off of these accounts does not eliminate the County's authority to continue to pursue collection of these accounts. Countywide (SB)

Background and Policy Issues:

In March 1995, Fire-Rescue began transporting patients and charging ambulance fees for this service. Fire Rescue's billing efforts are designed to meet the federal requirements of the Health Insurance Portability and Accountability Act of 1996. The law requires that the County make reasonable attempts to collect monies from all patients regardless of the availability of insurance, to the maximum allowed under Federal and State guidelines and does not allow for the routine waiver of unpaid co-payments or deductibles. Based on these efforts, Fire Rescue collected 65.5% of gross billings to-date for this write-off period. Although any increase in emergency transport fees will result in an increase in actual collected revenue, the fee increase will also cause the collection rate to decrease. The most recent emergency transport fee increase was effective January 1, 2007.

(Continued on page 2)

Attachments:

- 1. Monthly Collection Summary for Period October 2002 September 2004
- Detail Listing of Uncollectible Accounts for Period October 2002 September 2004

Recommended by:

Deputy Chief

Date

Approved by:

Fire Rescue Administrator

Date

Background and Policy Issues: (continued from page 1)

The following provides some examples as to why the \$5.4 million balance is uncollectible.

- Medicare adjustment difference between Fire-Rescue billing rate and the maximum reimbursement allowed by Medicare. The County's rate is set slightly higher than Medicare's maximum allowable in order to collect the maximum reimbursement, thereby creating an automatic *Medicare Adjustment*. An increase in adjustments will occur whenever the Board approves a rate increase in excess of Medicare allowable rates for reimbursement.
- Partial Payment received payment from third party carrier, but patient did not have supplemental insurance and has not paid balance.
- Payment denied based on medical necessity Fire Rescue's decision to transport an injured or ill patient is based on quality of patient care as determined by the paramedic/Medical Director, not on the likelihood of a successful collection. In some cases, patient did not pay account.
- Billing agent unable to obtain accurate/sufficient patient information.
- Patients had no insurance, co-insurance, or had not met their deductible. As the number of patients in Palm Beach County without insurance increases, the overall collection rate will be expected to decrease. Typically on accounts where the patient has no insurance or where insurance benefits have been exhausted, the collection rate is only approximately 11%.

The write-off of these accounts does not eliminate the County's authority to continue to pursue collection on these accounts.

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fi	scal Impact	•			
Fiscal Years Capital Expenditures Operating Costs External Revenues Program Income (County) In-Kind Match (County) NET FISCAL IMPACT	2007	2008	2009	2010	2011
# ADDITIONAL FTE POSITIONS (Cumulative)					
Is Item Included in Current Buc	lget?	Yes_X_	No		
Budget Account No.: Fund_	_1300_Dept_	_440_Unit_4	210_Object	Rev Sourc	e4260
B. Recommended Sources	of Funds/Su	ummary of	Fiscal Impac	t:	
The approval of this item will accounting entries to remove the PPM, Fire Rescue will continue to	se accounts	from the fin	ancial record	s. As require	ed under the
C. Departmental Fiscal Rev	riew:	h QU			
III. REVIEW COMMENTS	<u>)</u>				
A. OFMB Fiscal and/or Con	tract Dev. a	nd Control	Comments:		
Mh Corss. OFMB	00/21/01	Con	In J. tract Dev. ap	fragle)	(126)
B. Legal Sufficiency					
Sharm Burm Assistant County	<i>≻⊶ ل- ک-4</i> Attorney	-07			
C. Other Department Review	w:				
Department Direct	tor				

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

Palm Beach County Fire Rescue ALS Transport Billing Write-Off Summary October 1, 2002 through September 30, 2004

			Billi	ngs and Collections - Al	OP Report No. AB2020	
	-	Gross		Receipts		
Billing M	lonth	Billings	Receipts	% of Gross	Adjustments	Balance
FY2003						
October	2002	\$701,912.50	\$503,013.18	71.66%	\$34,775.95	\$164,123.37
November	2002	\$728,057.50	\$501,960.18	68.95%	\$36,700.29	\$189,397.03
December	2002	\$841,610.00	\$592,441.08	70.39%	\$42,820.35	\$206,348.57
January	2003	\$871,417.50	\$638,314.20	73.25%	\$50,542.63	\$182,560.67
February	2003	\$866,612.50	\$614,133.84	70.87%	\$49,709.67	\$202,768.99
March	2003	\$898,122.50	\$597,283.75	66.50%	\$48,142.98	\$252,695.77
April	2003	\$841,462.50	\$557,717.62	66.28%	\$39,872.63	\$243,872.25
May	2003	\$778,865.00	\$513,937.89	65.99%	\$46,749.61	\$218,177.50
June	2003	\$742,160.00	\$495,520.32	66.77%	\$50,904.88	\$195,734.80
July	2003	\$715,212.50	\$473,546.11	66.21%	\$46,203.31	\$195,463.08
August	2003	\$751,677.50	\$499,791.70	66.49%	\$47,276.01	\$204,609.79
September	2003	\$752,277.50	\$480,320.07	63.85%	\$47,011.71	\$224,945.72
		\$9,489,387.50	\$6,467,979.94	68.16%	\$540,710.02	\$2,480,697.54
FY2004						
October	2003	\$789,462.50	\$507,352.81	64.27%	\$53,589.32	\$228,520.37
November	2003	\$786,440.00	\$504,874.37	64.20%	\$49,892.14	\$231,673.49
December	2003	\$859,822.50	\$586,436.75	68.20%	\$53,637.16	\$219,748.59
January	2004	\$935,565.00	\$637,553.87	68.15%	\$48,592.34	\$249,418.79
February	2004	\$870,797.50	\$584,436.00	67.12%	\$48,469.88	\$237,891.62
March	2004	\$897,562.50	\$623,268.49	69.44%	\$51,800.45	\$222,493.56
April	2004	\$953,925.20	\$563,012.69	59.02%	\$126,137.06	\$264,775.45
May	2004	\$939,400.65	\$570,459.86	60.73%	\$124,034.90	\$244,905.89
June	2004	\$899,086.40	\$530,322.07	58.98%	\$117,070.63	\$251,693.70
July	2004	\$882,709.45	\$536,089.45	60.73%	\$111,236.83	\$235,383.17
August	2004	\$889,344.55	\$531,825.17	59.80%	\$115,349.22	\$242,170.16
September	2004	\$1,094,766.65	\$648,063.78	59.20%	\$138,301.93	\$308,400.94
•		\$10,798,882.90	\$6,823,695.31	63.19%	\$1,038,111.86	\$2,937,075.73
Total		\$20,288,270.40	\$13,291,675.25	65.5%	\$1,578,821.88	\$5,417,773.27

				Receipts by Payor Type - ADP Report No. AB0146			
	_	Self-Pay	Medicaid	Medicare	Insurance	Total	
October	2002	\$19,557.35	\$13, 97 2.09	\$209,783.86	\$259,699,88	\$503.013.18	
November	2002	\$23.783.87	\$17.388.48	\$218,463.64	\$242,324.19	\$501,960.18	
December	2002	\$19.117.97	\$17,300.40 \$15.971.81	\$274,762,25	\$282,589.05	\$592,441.08	
January	2002	\$18,375.67	\$19.153.05	\$305,530.67	\$295,254.81	\$638.314.20	
February	2003	\$16,375.07 \$24,129.03	\$19,153.68 \$20,193.68	\$296,553.57	\$273,257.56	\$614,133.84	
March	2003	\$15,223.40	\$19,921.41	\$291,367.30	\$270,771.64	\$ 5 97,283.75	
April	2003	\$18,190.24	\$13,567,29	\$273,908.86	\$252,051,23	\$557,717.62	
May	2003	\$15,002.57	\$18,759.99	\$237,318.37	\$242.856.96	\$513,937.89	
June					\$233,322.89	\$495,520.32	
	2003	\$8,779.52	\$20,858.89	\$232,559.02 \$206.906.33	\$234,715.07	\$473,546.11	
July	2003	\$10,067.03	\$21,857.68	•	\$2347,715.07 \$247,221.58	\$499,791.70	
August	2003	\$15,729.54	\$22,318.24	\$214,522.34		\$480,320.07	
September	2003	\$13,748.24	\$20,680.73	\$220,705.59	\$225,185.51 \$223,170.06		
October	2003	\$10,150.47	\$26,380.24	\$248,651.14	\$222,170.96	\$507,352.81	
November	2003	\$14,729.58	\$22,473.76	\$241,606.04	\$226,064.99	\$504,874.37	
December	2003	\$17,997.10	\$23,228.13	\$292,668.31	\$252,543.21	\$586,436.75	
January	2004	\$13,460.47	\$26,734.15	\$324,202.98	\$273,156.27	\$637,553.87	
February	2004	\$12,963.95	\$22,750.31	\$290,606.49	\$258,115.25	\$584,436.00	
March	2004	\$ 15 ,247.44	\$29,818.80	\$308,929.67	\$269,272.58	\$623,268.49	
April	2004	\$16,237.16	\$25,758.24	\$276,876.33	\$244,140.96	\$563,012.69	
May	2004	\$20,227.47	\$26,581 .28	\$260,731.21	\$262,919.90	\$570,459.86	
June	2004	\$23,747.72	\$27,888.57	\$240,244.90	\$238,440.88	\$530,322.07	
July	2004	\$28,522.25	\$25,537.41	\$228,582.96	\$253,446.83	\$536,089.45	
August	2004	\$26,261.47	\$25,79 8.28	\$232,438.67	\$247,326.75	\$531,825.17	
September	2004 _	\$34,861.07	\$28,993.59	\$282,419.73	\$301,789.39	\$648,063.78	
Total		\$436,110.58	\$536,586.10	\$6,210,340.23	\$6,108,638.34	\$13,291,675.25	
Percent		3.28%	4.04%	46.72%	45.96%	100.00%	