

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

Agenda Item #:

**SB-1**

**AGENDA ITEM SUMMARY**

Meeting Date: May 20, 2014 [ ] Consent [X] Regular  
[ ] Workshop [ ] Public Hearing

Department: Fire-Rescue

**I. EXECUTIVE BRIEF**

**Motion and Title:**

**Staff recommends motion to approve:** The write-off of uncollectible emergency transport patient accounts to remove these amounts from the County's financial books for the following period:

October 1, 2006 through September 30, 2007 (FY07)	\$4,620,640.08
October 1, 2007 through September 30, 2008 (FY08)	\$5,917,499.34
October 1, 2008 through September 30, 2009 (FY09)	\$6,204,605.29
October 1, 2009 through September 30, 2010 (FY10)	<u>\$7,477,636.15</u>
	\$24,220,380.86

**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, 2006 to September 30, 2010, Fire Rescue generated \$82,221,265 in gross transport billings and collected (to-date) \$45,623,248. After adjustments of \$12,377,636.44, required under the guidelines of the Medicare/Medicaid programs, the balance of \$24,220,381 is currently deemed to be uncollectible. This balance is primarily due to partial payments, insurance denial based on medical necessity, the inability to obtain accurate patient and/or insurance information, and patients without medical coverage or high deductibles. Staff recommends the amount deemed uncollectible be written-off the County's financial books. 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 56% of gross billings to-date for this write-off period.

(Continued on page 2)

**Attachments:**

1. Emergency Transport Billing Write-Off Summary for Period October 2006 - September 2010
2. Detail Listing of Uncollectible Accounts by Transport Month for Period October 2006 - September 2010

Recommended by: [Signature] 5/8/14  
Deputy Chief Date

Approved by: [Signature] 5/8/2014  
Fire Rescue Administrator Date

Approved by: [Signature] 5/12/14  
Assistant County Administrator Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____

# ADDITIONAL FTE

POSITIONS (Cumulative)

\_\_\_\_\_

Is Item Included in Current Budget?

Yes \_\_\_\_\_ No \_\_\_\_\_

Budget Account No.: Fund 1300 Dept 440 Unit 4210 Rev Source 4260

### B. Recommended Sources of Funds/Summary of Fiscal Impact:

The approval of this item will authorize the Clerk of the Courts to record the necessary accounting entries to remove these accounts from the financial records. As required under the PPM, Fire Rescue will continue to maintain a database of all ALS transport accounts.

C. Departmental Fiscal Review:

Michael M. M. M.

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Dev. and Control Comments:

4/30 PM 4/30  
OFMB  
4/30/2014

Dr. J. Jacobson  
Contract Dev. and Control  
5/5/14  
Back

### B. Legal Sufficiency

Donna B. B.  
Assistant County Attorney  
5/6/14

### C. Other Department Review:

\_\_\_\_\_  
Department Director

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

**Background and Policy Issues:** (continued from page 1)

The \$24.2 million balance is the outstanding balance after adjustments are applied to patient accounts. Primarily, adjustments are the difference between the Fire-Rescue billing rate and the maximum reimbursement allowed by Medicare and Medicaid. The County's rate is set 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.

The following provides some examples as to why the \$24.2 million balance is uncollectible.

- 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.

**Palm Beach County Fire Rescue  
Emergency Transport Billing Write-Off Summary  
October 1, 2006 through September 30, 2007**

**Billings and Collections - ADP Report No. AB2020 - EOM 03/31/13**

Billing Month		Gross Billings	Receipts	Receipts % of Gross	Adjustments	Balance
<b>FY2007</b>						
October	2006	1,042,988.15	647,154.88	62.05%	102,753.08	\$293,080.19
November	2006	1,085,275.60	682,083.00	62.85%	103,958.54	\$299,234.06
December	2006	1,256,528.70	804,865.03	64.05%	121,505.02	\$330,158.65
January	2007	1,459,510.00	838,851.73	57.47%	202,417.41	\$418,240.86
February	2007	1,436,334.00	856,707.45	59.65%	195,786.14	\$383,840.41
March	2007	1,523,456.00	901,459.20	59.17%	203,699.53	\$418,297.27
April	2007	1,363,954.00	783,660.05	57.46%	170,734.63	\$409,559.32
May	2007	1,344,390.00	699,677.74	52.04%	168,185.02	\$476,527.24
June	2007	1,227,842.00	654,838.10	53.33%	157,169.71	\$415,834.19
July	2007	1,272,548.00	708,449.73	55.67%	170,303.37	\$393,794.90
August	2007	1,221,144.00	672,852.51	55.10%	171,345.58	\$376,945.91
September	2007	1,267,484.00	677,998.11	53.49%	184,358.81	\$405,127.08
<b>Total</b>		<b>\$15,501,454.45</b>	<b>\$8,928,597.53</b>	<b>57.6%</b>	<b>\$1,952,216.84</b>	<b>\$4,620,640.08</b>

**Receipts by Payor Type - ADP Report No. AB0155A - EOM 03/31/13**

		Self-Pay [S]	Medicaid [A]	Medicare [C]	Insurance [I]	Total
<b>FY 2007</b>						
October	2006	37,975.83	32,461.91	337,556.60	239,160.54	\$647,154.88
November	2006	32,079.38	28,257.24	363,309.04	258,437.34	\$682,083.00
December	2006	41,426.57	32,416.07	440,836.73	290,185.66	\$804,865.03
January	2007	42,054.46	29,569.76	506,876.89	260,350.62	\$838,851.73
February	2007	51,281.81	25,140.02	540,586.56	239,699.06	\$856,707.45
March	2007	41,676.49	23,241.01	562,642.75	273,898.95	\$901,459.20
April	2007	42,430.57	18,555.04	476,614.99	246,059.45	\$783,660.05
May	2007	30,404.95	22,002.04	348,167.06	299,103.69	\$699,677.74
June	2007	32,424.49	21,671.53	335,063.95	265,678.13	\$654,838.10
July	2007	30,498.55	19,390.80	364,320.42	294,239.96	\$708,449.73
August	2007	30,281.64	21,590.18	352,099.19	268,881.50	\$672,852.51
September	2007	29,590.84	21,881.74	276,525.85	349,999.68	\$677,998.11
<b>Total</b>		<b>\$442,125.58</b>	<b>\$296,177.34</b>	<b>\$4,904,600.03</b>	<b>\$3,285,694.58</b>	<b>\$8,928,597.53</b>
<b>Percent</b>		<b>4.95%</b>	<b>3.32%</b>	<b>54.93%</b>	<b>36.80%</b>	<b>100.00%</b>

**Palm Beach County Fire Rescue  
Emergency Transport Billing Write-Off Summary  
October 1, 2007 through September 30, 2008**

**Billings and Collections - ADP Report No. AB2020 - EOM 03/31/13**

Billing Month		Gross Billings	Receipts	Receipts % of Gross	Adjustments	Balance
<b>FY2008</b>						
October	2007	1,306,392.00	731,649.33	56.01%	198,226.69	\$376,515.98
November	2007	1,388,752.00	763,531.29	54.98%	206,768.00	\$418,452.71
December	2007	1,533,466.00	864,055.49	56.35%	220,745.14	\$448,665.37
January	2008	1,814,270.00	1,017,447.06	56.08%	271,709.93	\$525,113.01
February	2008	1,859,637.00	1,024,100.52	55.07%	284,998.02	\$550,538.46
March	2008	1,896,094.50	1,047,015.38	55.22%	289,845.43	\$559,233.69
April	2008	1,653,813.50	882,762.23	53.38%	249,314.71	\$521,736.56
May	2008	1,622,587.50	857,657.02	52.86%	247,822.64	\$517,107.84
June	2008	1,579,375.00	840,480.73	53.22%	244,953.52	\$493,940.75
July	2008	1,560,984.00	840,084.56	53.82%	219,035.24	\$501,864.20
August	2008	1,570,229.00	840,127.29	53.50%	240,881.17	\$489,220.54
September	2008	1,622,093.00	867,675.54	53.49%	239,307.23	\$515,110.23
<b>Total</b>		<b>\$19,407,693.50</b>	<b>\$10,576,586.44</b>	<b>54.5%</b>	<b>\$2,913,607.72</b>	<b>\$5,917,499.34</b>

**Receipts by Payor Type - ADP Report No. AB0155A - EOM 03/31/13**

		Self-Pay [S]	Medicaid [A]	Medicare [C]	Insurance [I]	Total
<b>FY2008</b>						
October	2007	36,146.87	26,089.75	356,755.56	312,657.15	\$731,649.33
November	2007	36,043.21	23,852.36	388,480.23	315,155.49	\$763,531.29
December	2007	47,334.29	24,816.36	460,958.52	330,946.32	\$864,055.49
January	2008	52,877.39	32,946.18	546,552.24	385,071.25	\$1,017,447.06
February	2008	41,283.83	40,102.83	546,138.03	396,575.83	\$1,024,100.52
March	2008	35,350.44	35,223.20	584,112.61	392,329.13	\$1,047,015.38
April	2008	25,480.69	35,829.92	512,814.18	308,637.44	\$882,762.23
May	2008	29,548.54	42,825.78	472,131.45	313,151.25	\$857,657.02
June	2008	20,022.99	41,134.87	434,533.83	344,789.04	\$840,480.73
July	2008	23,589.59	34,558.45	423,185.07	358,751.45	\$840,084.56
August	2008	23,881.16	43,786.24	427,101.26	345,358.63	\$840,127.29
September	2008	27,326.78	47,718.31	433,723.88	358,906.57	\$867,675.54
<b>Total</b>		<b>\$398,885.78</b>	<b>\$428,884.25</b>	<b>\$5,586,486.86</b>	<b>\$4,162,329.55</b>	<b>\$10,576,586.44</b>
<b>Percent</b>		<b>3.77%</b>	<b>4.06%</b>	<b>52.82%</b>	<b>39.35%</b>	<b>100.00%</b>



**Palm Beach County Fire Rescue  
Emergency Transport Billing Write-Off Summary  
October 1, 2008 through September 30, 2009**

**Billings and Collections - ADP Report No. AB2020 - EOM 03/31/13**

Billing Month		Gross Billings	Receipts	Receipts % of Gross	Adjustments	Balance
<b>FY2009</b>						
October	2008	1,635,732.50	909,240.67	55.59%	245,602.98	\$480,888.85
November	2008	1,695,794.00	949,110.10	55.97%	249,987.71	\$496,696.19
December	2008	1,807,512.00	1,029,336.86	56.95%	259,196.07	\$518,979.07
January	2009	1,991,965.00	1,156,196.49	58.04%	294,471.34	\$541,297.17
February	2009	1,910,522.00	1,113,671.25	58.29%	266,114.28	\$530,736.47
March	2009	2,104,815.00	1,217,164.03	57.83%	298,684.30	\$588,966.67
April	2009	1,893,220.00	1,077,615.79	56.92%	278,708.87	\$536,895.34
May	2009	1,757,948.00	994,520.44	56.57%	255,650.26	\$507,777.30
June	2009	1,702,673.00	976,321.32	57.34%	251,963.10	\$474,388.58
July	2009	1,798,565.00	1,016,366.88	56.51%	260,929.67	\$521,268.45
August	2009	1,726,451.00	949,822.71	55.02%	238,222.05	\$538,406.24
September	2009	1,665,859.00	945,210.46	56.74%	252,343.58	\$468,304.96
<b>Total</b>		<b>\$21,691,056.50</b>	<b>\$12,334,577.00</b>	<b>56.9%</b>	<b>\$3,151,874.21</b>	<b>\$6,204,605.29</b>

**Receipts by Payor Type - ADP Report No. AB0155A - EOM 03/31/13**

		Self-Pay [S]	Medicaid [A]	Medicare [C]	Insurance [I]	Total
<b>FY2009</b>						
October	2008	24,969.70	36,776.07	438,234.74	409,260.16	\$909,240.67
November	2008	25,603.42	30,594.85	490,239.37	402,672.46	\$949,110.10
December	2008	31,742.65	30,629.83	530,087.74	436,876.64	\$1,029,336.86
January	2009	29,640.49	35,920.13	661,449.06	429,186.81	\$1,156,196.49
February	2009	27,896.76	27,603.76	637,897.94	420,272.79	\$1,113,671.25
March	2009	22,647.00	39,001.01	748,284.17	407,231.85	\$1,217,164.03
April	2009	27,038.01	44,489.55	723,379.91	282,708.32	\$1,077,615.79
May	2009	25,056.94	40,107.98	616,503.60	312,851.92	\$994,520.44
June	2009	16,043.87	41,187.47	573,218.81	345,871.17	\$976,321.32
July	2009	25,147.49	43,821.92	495,410.05	451,987.42	\$1,016,366.88
August	2009	23,456.69	42,812.79	458,837.82	424,715.41	\$949,822.71
September	2009	21,075.97	44,050.41	454,610.97	425,473.11	\$945,210.46
<b>Total</b>		<b>\$300,318.99</b>	<b>\$456,995.77</b>	<b>\$6,828,154.18</b>	<b>\$4,749,108.06</b>	<b>\$12,334,577.00</b>
<b>Percent</b>		<b>2.43%</b>	<b>3.70%</b>	<b>55.36%</b>	<b>38.50%</b>	<b>100.00%</b>

**Palm Beach County Fire Rescue  
Emergency Transport Billing Write-Off Summary  
October 1, 2009 through September 30, 2010**

		Billings and Collections - ADP Report No. AB2020 - EOM 03/31/13				
Billing Month		Gross Billings	Receipts	Receipts % of Gross	Adjustments	Balance
<b>FY2010</b>						
October	2009	1,901,043.00	1,054,083.93	55.45%	271,232.91	\$575,726.16
November	2009	1,877,855.00	1,056,896.59	56.28%	288,999.93	\$531,958.48
December	2009	2,098,725.00	1,212,497.02	57.77%	322,403.33	\$563,824.65
January	2010	2,412,423.50	1,296,788.04	53.75%	425,281.96	\$690,353.50
February	2010	2,284,702.00	1,273,567.49	55.74%	402,154.35	\$608,980.16
March	2010	2,383,172.50	1,313,753.47	55.13%	422,052.69	\$647,366.34
April	2010	2,188,671.50	1,165,436.22	53.25%	389,078.67	\$634,156.61
May	2010	2,164,930.00	1,132,780.28	52.32%	396,838.86	\$635,310.86
June	2010	2,066,983.50	1,069,328.50	51.73%	355,236.46	\$642,418.54
July	2010	2,068,306.00	1,047,713.41	50.66%	365,011.69	\$655,580.90
August	2010	2,102,891.50	1,088,512.21	51.76%	357,753.61	\$656,625.68
September	2010	2,071,357.00	1,072,129.52	51.76%	363,893.21	\$635,334.27
<b>Total</b>		<b>\$25,621,060.50</b>	<b>\$13,783,486.63</b>	<b>53.8%</b>	<b>\$4,359,937.67</b>	<b>\$7,477,636.15</b>

		Receipts by Payor Type - ADP Report No. AB0155A - EOM 03/31/13				
		Self-Pay [S]	Medicaid [A]	Medicare [C]	Insurance [I]	Total
<b>FY2010</b>						
October	2009	22,560.07	45,590.97	577,784.01	408,148.88	\$1,054,083.93
November	2009	25,562.01	57,592.53	628,722.86	345,019.19	\$1,056,896.59
December	2009	37,767.54	51,229.94	757,744.12	365,755.42	\$1,212,497.02
January	2010	35,057.10	52,025.08	835,250.59	374,455.27	\$1,296,788.04
February	2010	36,717.67	49,091.22	867,680.43	320,078.17	\$1,273,567.49
March	2010	29,407.61	53,875.50	932,493.86	297,976.50	\$1,313,753.47
April	2010	31,084.90	61,768.99	811,520.82	261,061.51	\$1,165,436.22
May	2010	30,648.39	66,774.05	771,058.78	264,299.06	\$1,132,780.28
June	2010	26,366.11	58,962.20	743,568.53	240,431.66	\$1,069,328.50
July	2010	27,155.44	62,675.35	749,383.12	208,499.50	\$1,047,713.41
August	2010	24,436.57	63,197.44	748,904.82	251,973.38	\$1,088,512.21
September	2010	17,410.24	64,563.10	732,347.35	257,808.83	\$1,072,129.52
<b>Total</b>		<b>\$344,173.65</b>	<b>\$687,346.37</b>	<b>\$9,156,459.29</b>	<b>\$3,595,507.37</b>	<b>\$13,783,486.63</b>
<b>Percent</b>		<b>2.50%</b>	<b>4.99%</b>	<b>66.43%</b>	<b>26.09%</b>	<b>100.00%</b>