

City of Aberdeen

Emergency Medical Services Utility – Cost of Service

Frequently Asked Questions

Additional information pertaining to the city of Aberdeen's Cost of Service Study can be found on the Fire Department's EMS webpage.

www.aberdeenwa.gov/574/Emergency-Medical-Servcies

Q: Why is the EMS Utility Rate going up?

A: EMS Utility Rates to keep up with the rising cost of operations. The last time the city conducted a formal rate study on the EMS rate was in 2010.

Q: What does this pay for?

A: Salaries, medical supplies, equipment, ambulance, operating supplies, vehicle maintenance and repairs, some facility expenses, uniforms, equipment that allows the department to deliver services efficiently, effectively and safely.

Q: Don't I already pay for this through my taxes?

A: Taxes paid to the city pay for general fund activities such as Police, Parks, Streets, Court and General City Government. The taxes that are collected are not enough to pay for the real costs of EMS operations.

Q: Can I opt out of paying for this?

A: Utility rates are established by the City Council. They are applied equally to all to all residents of Aberdeen.

Q: Can the City create different rates for user classifications that put more burden on (use) the utility?

A: The utility rate must be applied equally to all rate payers. The exception would be any discount programs offered by the City and applied equally.

Q: Is there a discount?

A: There is currently a discount available through the City's Low-Income Senior program. Please contact the Finance Department for more information about this rate.

Q: Instead of raising the monthly charge for EMS services, why can't the final bill for service be raised if used?

A: New ambulance billing rates have been adopted by the City Council. This will not cover the entire cost of providing EMS. A part of the EMS Utility program is that residents do not see a bill for when transported by an ambulance. Their insurance is billed, and any balance left over is written off.

Seventy-nine percent (79%) of the patients we transport are covered by Medicare or Medicaid. Medicare and Medicaid historically provide the lowest reimbursement rates to the City. The high number of Medicare/Medicaid-covered patients mixed with low reimbursement rates requires the City to supplement EMS services with this utility rate.

Q: Can the City use EMS reserves that have been built up rather than increasing the monthly utility rate?

A: The rate structure adopted by the City Council includes a systematic use of EMS reserve funds to allow for smaller rate increases over the next 5 years. *Reserves are anticipated to be at appropriate levels within five years and will no longer be supplementing the EMS rate.*

Q: What is a Cost-of-Service Study?

A: A Cost-of-Service Study is an in-depth analysis of the Fire Department's operations specifically, services and programs related to EMS. We had to conduct the study to determine the true costs of providing EMS services. This is a requirement of RCW 35.21.

Q: Why do a Cost-of-Service Study?

A: RCW 35.21 requires that periodic Cost of Service Studies are completed to justify the level of rates being charged. The last EMS Cost of Service Study was completed in 2010. The City is able to adjust rates, within reason, from year to year, but a reset of the rates must be done following the requirements of RCW 35.21.

Q: The City is just increasing rates because the RFA failed.

A: This is not the case. During presentations on the Regional Fire Authority (RFA), staff was very transparent about the need to do an EMS Cost of Service Study. This study was going to be needed if either the RFA passed, to establish RFA EMS rates, or if it failed due to the length of time since Aberdeen last official Cost of Service Study.

The Department recognized that a cost of service study had not been done in over 10 years and was past due. Due to the potential forming of an RFA, the Department deferred the cost of service study until we knew the outcome of the RFA vote.