



**MEMORANDUM**

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Mark Whitley, Assistant City Manager  
**RE:** Ordinance Increasing EMS Fees  
**DATE:** April 18, 2023 (for the April 25 Council Meeting)

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**ISSUE**

Shall the City Council increase the EMS fees for certain types of transports?

**RECOMMENDATION**

Yes. Staff recommends adoption of the attached ordinance, which requires two readings.

**BACKGROUND**

The City of Fredericksburg began charging fees for Emergency Medical Transports in 2007. The program has assisted in funding the costs of the overall program for Emergency Medical Services, including the paid personnel in the Fredericksburg Fire Department and support for the City’s volunteer partners, the Fredericksburg Rescue Squad.

The current rates were established in 2014, and are as follows:

Service	Fee
Basic Life Support	\$500
Advanced Life Support Level 1	\$650
Advanced Life Support Level 2	\$800
Mileage – per loaded mile	\$12

Fees are collected from patients with health insurance. In the City’s case, most patients with health insurance have either federal Medicaid or Medicare, followed by those with commercial carriers (such as Anthem Blue Cross and Blue Shield). Those without insurance are billed, but under a Compassionate Billing Policy outlined in Ordinance 07-04 that holds harmless those without insurance and without the means to pay.

For the vast majority of fee revenue received, the City collects the amount that the insurance carrier is willing to pay for the service. That amount is usually less than the fee level set by the City. The City’s billing contractor, Change Healthcare, recommends that the fees be set between 120% and 150% of the allowable charges under Medicare. The Medicare rates increased 8% in 2023. The Fire Department, in light of increasing costs of service and the rising allowable charges under Medicare, initiated a review of the City’s fee schedule.

Based upon the review, the City’s Basic Life Support (“BLS”) and Advanced Life Support Level 2 (“ALS 2”) fees would need to be raised to stay at a level of 130% of Medicare rates. The charges for Advanced Life Support Level 1 (“ALS 1”) and the per loaded mile transportation cost would not need to change.

**Proposed FY 2024 Fee Comparison Table**

Service	Current Fee	130% of Medicare	Proposed Fee
BLS	\$500	\$548.46	\$550
ALS 1	\$650	\$651.29	\$650 (no change)
ALS 2	\$800	\$942.66	\$950
Mileage	\$12	\$11.10	\$12 (no change)

The City in FY 2021 and FY 2022 averaged approximately 3500 transports for a Fiscal Year, and at the close of December was on a pace for approximately 3750 transports. The vast majority of those transports were billed at either the BLS or ALS 1 levels – less than 2% of transports are at the highest level of care (ALS 2).

The budget public hearing held on Tuesday, April 18, 2023 included the opportunity to provide testimony on the proposed increase in EMS fees. No testimony was received.

The proposed fee schedule would go into effect July 1, 2023.

**FISCAL IMPACT**

City staff is estimating an additional \$40,000 in revenue from the proposed fee increase. The budget estimate included in the FY 2024 Recommended Budget is \$1,040,000.

In FY 2022, the City collected \$960,757 in fee revenue, which represented 42.28% of the cost of the City’s direct EMS program operations, which was \$2,272,602.

Attachment: Ordinance



April 25, 2023  
Regular Meeting  
Ordinance 23-

**MOTION:**

**SECOND:**

**RE: Amending Emergency Medical Services Transport Fees**

**ACTION: APPROVED: Ayes: 0; Nays: 0**

**FIRST READ:** \_\_\_\_\_ **SECOND READ:** \_\_\_\_\_

**IT IS HEREBY ORDAINED** by the City Council of the City of Fredericksburg, Virginia as follows:

**Section 1: Purpose and Intent**

The purpose of this ordinance is to increase certain of the City’s emergency medical transport services rates in order to create additional revenue to support the demand on EMS services. These EMS fees are charged based on the level of service the patient requires during transport to the hospital. City Council adopts this ordinance pursuant to its authority under §32.1-111.14(B) of the Code of Virginia (1950), as amended. Public notice has been duly made and a public hearing was held on this matter on April 18, 2023.

**Section 2: Amending Emergency Medical Services Transport Fee**

The EMS Fees are hereby amended as follows:

Fee	Current	Effective July 1, 2023	Change
Mileage – Ground Transportation	\$12	\$12	\$0
Advanced Life Support – Level 1	\$650	\$650	\$0
Advanced Life Support – Level 2	\$800	\$950	\$150
Basic Life Support	\$500	\$550	\$50

**Section 3: Effective Date**

This ordinance shall be effective July 1, 2023.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

**Approved as to form:**

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**Kathleen Dooley, City Attorney**

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***Clerk's Certificate***

*I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Ordinance No. 23, adopted at a meeting of the City Council held April 25, 2023, at which a quorum was present and voted.*

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***Tonya B. Lacey, MMC  
Clerk of Council***