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July 28, 2015

Orange County Board of Supervisors
333 W. Santa Ana Blvd.
Santa Ana, CA 92701

Ref: OCFA ALS/BLS Rebate Misinformation

Dear Board of Supervisors:

At the July 21, 2015 Board of Supervisors meeting, one supervisor questioned Ms. Holly Veale from the Health Care Agency (HCA), regarding whether the OCFA received any rebates for EMS services other than the ALS Paramedic reimbursement rebates. Ms. Veale stated that the ALS rebates were the only rebates going back to the OCFA for EMS service.

This was an incorrect statement, since the OCFA was also receiving BLS–Medical Supply Reimbursement rebates from the ambulance companies. What is disturbing to me is that no other member of the HCA present in the meeting corrected that erroneous statement, while the item was in discussion. I am not privy to any information, whether the HCA might have subsequently advised the Board after the meeting, that Ms. Veale’s rebate statement was incorrect.

What is further troubling to me is the inaction of the OCFA on this matter. I relayed my concern on this matter in person to OCFA Fire Chief Jeff Bowman and Assistant Fire Chief Lori Zeller after the July 23, 2015 OCFA Board of Directors meeting.

I have never forgotten an Orange County Board of Supervisors meeting I attended about two years ago. Supervisor Shawn Nelson was chairman at that time. The OCFA and I were both present to discuss different OCFA issues at that meeting. By coincidence the OCFA made their presentation prior to mine. The OCFA presented erroneous information to the Board. In my subsequent oral public comment, I stated that various prior OCFA statements were untrue. Chairman Nelson then requested that Ms. Zeller return to the podium and state whether my assertions about prior erroneous OCFA statements were true or untrue. She responded that my statements were correct. Chairman Nelson then admonished the OCFA to never again present erroneous information to the Board.

Now fast forward to my July 23, 2015 post OCFA Board of Directors meeting discussion with Chief Bowman and Ms. Zeller. I informed them that Jim Ruane, OCFA Manager Finance and Audit, was sitting next to me in the first row of the Board of Supervisors meeting room. I noticed that he had a request to speak public comment card filled out. I thought he might give it to the Assistant Clerk in order to correct the statement of Ms. Veale concerning OCFA rebates, which he knew was incorrect. However, he did not take the opportunity to correct the erroneous Ms. Veale statement that benefitted the OCFA.

I learned in my July 23, 2015 discussion with Chief Bowman and Ms. Zeller that the OCFA had not yet corrected the erroneous rebate statement of Ms. Veale. Hence, I am now advising you that Ms. Veale’s statement on the number of OCFA rebates was incorrect. In my opinion this OCFA failure to correct misleading information is still another example of the OCFA’s failing to supply accurate and complete information to the Orange County Board of Supervisors and the public.

With regard to the supposed legitimacy of the OCFA ALS/BLS rebates from the ambulance companies back to the OCFA, I provide the following comments.

1. The OCFA fails to mention that unlike the OCFA, there are Fire Departments in Orange County, such as Brea, which do not require any ALS/BLS rebates from ambulance companies. The OCFA should have informed you of that fact.

2. If the ambulance company invoice breaks out the amount of rebates going to a Fire Department in even a footnote, there is a growing trend across the United States for insurance companies to reject payment for the rebates. This is probably a prime reason why the OCFA is against even a footnote mention of the rebate amounts that are being included in the ambulance provider billing statement. The OCFA apparently also does not want the public to know that part of the fees for the medical care and ambulance transport get rebated directly back to the OCFA.

I do not have any objection for Medicare billings, that the ambulance company invoice combines the transport cost and the OCFA rebate amount into one billing code amount for required Medicare billing purposes. However, even for these billings, the ambulance company should advise the public in a footnote, how much of the total bill is for OCFA rebates. This would allow the public the opportunity to challenge any payment for rebates. It would also allow the public to be aware what part of their ambulance company service fees go directly back to the OCFA.

I again request that the Board instruct the HCA, which administers the ambulance contracts, to direct the ambulance operators to immediately place a footnote in their billings, informing the public of the amount of the total ambulance billing that is remitted as a rebate back to the OCFA. That requirement equates to true transparency on an issue that many of the public, government officials, and some insurance companies now consider already compensated by a property tax allocation payment.

In addition, there seems to be a common practice that the attending OCFA EMS responders, when asked by members of the public about the cost of the OCFA paramedic service, state that there is no OCFA charge, when in fact there is. By making such a false assertion, the public is misled to believe that only the ambulance company charges for services and keeps all the payment amounts. This is still yet another example of OCFA misinformation given to the public

3. There is a piggyback mentality running among fire departments. If a fire department sees that other fire departments are receiving rebates or another form of compensation, that fire department will then demand it for their own fire department. However, the trend now appears to be going the opposite way.

There is a growing trend for cities across the United States to ban the addition of rebates for fire departments on ambulance billings. The reasoning being is that the patient has already paid for the rebates in their tax assessment going to the fire department. Yet that trend is not mentioned by the OCFA. The Board should instruct the OCFA to present information to it on this state and national level trend.

4. About 92% of the approximate \$5.0 million in rebates goes to firefighter and OCFA administration wages and benefits. These rebates continue to support the over \$200,000 in average paramedic/firefighter total compensation. These are the \$200,000 Club Members. The rebates also provide part of the additional revenue to keep OCFA Division Chiefs, Battalion Chiefs, Assistant Fire Chiefs, and a large number of Fire Captains in the \$300,000 Club. The \$300,000 Club members are those OCFA employees earning over \$300,000 in total wage compensation.

Since the OCFA has only supplied 2013 wage information on its web site, I recommend that the Board request that the OCFA supply it with 2014 total wage compensation information for the following categories:

- a) Total number of Assistant fire chiefs and the number receiving over \$300,000 in total wage compensation.
- b) Total number of Division fire chiefs and the number receiving over \$300,000 in total wage compensation.
- c) Total number of Battalion fire chiefs and the number receiving over \$300,000 in total wage compensation.

- d) Total number of fire captains and the number receiving over \$300,000 in total wage compensation.
- e) Average total wage compensation for a firefighter.
- f) Average total wage compensation for a firefighter/paramedic.

5. I was surprised that Supervisor Bartlett supported granting an increase to the rebate amounts. The reason for my puzzlement was twofold:

a) Last year former Supervisor Pat Bates, who Supervisor Bartlett succeeded, expressed concern regarding payment to the OCFA of these rebates. In that same meeting, Supervisor Nguyen strongly stated she would not give even “a dime” in rebate money to the OCFA. However, Supervisor Bartlett expressed no such concern regarding payment of the rebates in this year’s meeting.

b) Supervisor Bartlett recently hosted the “2015 South County Senior Summit Update” on July 24, 2015 in Laguna Woods Village. A major purpose of the Summit Update was to safeguard the interests of the seniors. However, she expressed a willingness in the July 21, 2015 Board of Supervisors meeting to approve an increase to the OCFA rebate amounts, which primarily affect seniors and the uninsured. The two positions seem distinctly contrary.

What is Supervisor Bartlett’s reasoning for approving an increase in the rebates? Hopefully, she will explain this apparent reasoning contradiction in the August 28, 2015 Board of Supervisors meeting, which will discuss the ALS/BLS rebate issue. This meeting will also allow her to provide an answer to her constituents who ask, “If I already paid for the OCFA paramedic services through my property taxes, why do I now have to pay a second time for the same services through the OCFA rebates?”

Regarding this point, I happened to be in an OCFA meeting, when an OCFA Board member brought up the common complaint of seniors and the public regarding the high cost of ambulance transport. Jim Ruane blamed the high cost on the ambulance operators. What he failed to include in his answer was that on a typical non-Medicare ALS call, the OCFA was receiving rebates from the ambulance companies of about \$300.00, which the OCFA ordered to be buried by the ambulance operators in their billings to the public. This is another example of misinformation given by the OCFA, in this case, to an OCFA Board member.

6. In the Board of Supervisors meeting, Supervisor Spitzer dismissed my concern that the poor were also victimized by the rebates. He said that was not the case, since the poor have CAL-OPTIMA to pay for the ambulance transport costs. That is only a partial response to the concern I raised.

CAL-OPTIMA takes care of the cost of ambulance transport for the indigent poor and homeless. It has absolutely no applicability to the working poor, who are without insurance and struggling to pay bills and maintain their credit ratings. This is yet another issue that needs to be addressed by the OCFA with additional information to the Board members and the public to permit a true understanding of the issue.

Summary

The OCFA has advised the OCFA Board of Directors that it would initiate lobbying efforts with the Board of Supervisors to maintain the rebates. This was the exact same approach that I was told was done last year with the new Supervisors, and the effort was successful. Some speculate that last year’s efforts success was based on misleading and incomplete information given to the new Board of Supervisors members. I offer no opinion in that regard, since I was not present.

To combat this lobbying effort and victimization of the working poor, seniors and all Orange County taxpayers, I as a taxpayer request that all Supervisors refuse to attend lobbying meeting on this matter, until the OCFA has furnished all of the above requested information. All of the information is needed to obtain a full understanding of the issues involved. And if the OCFA declines to provide the needed information to base an informed decision, Board Supervisors should not allow lobbying access.

On the other hand, if the OCFA does submit all the required information, I request that I be permitted strictly as an observer to attend all meetings between a Board Supervisor and any lobbyist, the OCFA, the firefighters union, or the Ambulance Association of Orange County on this subject. My silent presence at any such meetings will go a long way in insuring that misinformation on OCFA rebates to the Board members will finally come to an end.

Conclusion

The Board of Supervisors should:

- a) Reject any increase to the ALS and BLS rebates allowable to the OCFA.
- b) Rule that all ALS and BLS rebates to the OCFA are no longer authorized.
- c) Direct the HCA to prepare an amendment to the current County/Ambulance Company contracts implementing the elimination of ALS and BLS rebates allowable to the OCFA.
- d) Direct the HCA to work with the OCFA to implement a change order to the OCFA/Ambulance Company contracts eliminating the payment by ambulance companies of any rebates to the OCFA.

Sincerely,

Stephen M. Wontrobski

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Cc: OCFA Board of Directors