



February 15, 2022

Tamara McConnell, RN – EMS Administrator
Orange County EMS Agency
405 W. Fifth Street, Suite 301 A
Santa Ana, CA 92701

Re: Ambulance Rate Adjustment

Dear Ms. McConnell:

Historically, regulated 9-1-1 emergency ambulance rates in Orange County have been established well below the local and state-wide averages, thus providing an artificial subsidy for medical insurance carriers, and contributing to lower wages for Orange County EMTs.

Today, across California and for that matter, the United States, EMS is experiencing a labor shortage. This labor shortage has been driven by the ongoing pandemic, a lack of affordable and accessible childcare, difficulty matching workers with the right employers and the need for better pay and working conditions. Outside the EMS industry, many businesses have found attracting workers much easier after increasing wages and improving conditions.

In the new economic reality created by COVID-19, \$20.00 an hour is quickly becoming the minimum expectation for workers, especially for those in undesirable and even dangerous front-line jobs. Fast food workers in Orange County are now experiencing starting wages of \$16 to \$20 per hour. Since the start of the COVID-19 recovery in January 2021, average wages have been increasing across all industries, but the same is not true in EMS, where ambulance rates are tightly controlled.

EMS is several years into a retention and recruitment crisis that pre-dates the COVID-19 pandemic. Several factors have contributed to the crisis, such as inadequate reimbursement, and low community support. One of the rallying cries to move the EMS industry forward has been that EMTs and paramedics need to be paid a living wage.

A living wage, according to the MIT Living Wage Calculator, is the local wage rate that allows residents to meet minimum standards of living. The calculator adjusts for regional cost of living differences and can be searched by state and county. The living wage in Orange County, California for a single adult with no children is \$22.44/hour. To meet the minimum standards of living in Orange County as a single adult with one child is \$45.36/hour. This is just the standard for a living wage, while a thriving wage allows an employee to pay for daily expenses of shelter, food, utilities, transportation, childcare, build up an emergency fund for unexpected financial emergencies, contribute to a retirement account, save for a future home purchase, and have enough left over to have some fun on their time off. Of the 58 California Counties, only six (6) Counties (Marin, San Francisco, San Mateo, Santa Barbara, Santa Clara, and Santa Cruz) have a higher living wage requirement than Orange County.

Complicating the regulated 9-1-1 emergency ambulance rate issue are the changes that have been made by MediCare, MediCal and private health insurance carriers. Previously approved line-item charges for oxygen and expendable medical supplies have been consolidated into the ambulance base rate, thereby reducing ambulance and fire agency medical supply reimbursements. State of California, MediCal rates have not increased in 23 years negatively impacting both BLS and ALS providers.

All three of these issues (low EMT wages, changes to reimbursement and OC EMS Agency cost increases) identify the need for a one-time adjustment to the Orange County approved Maximum Ground Ambulance Rates. While critics are quick to argue that an approved increase to the maximum ground ambulance rates will be passed into vulnerable MediCare and MediCal patients, this is not accurate as both MediCare and MediCal patients are protected from ambulance rate increases by both federal and state statutes.

The Ambulance Association of Orange County (AAOC) is requesting a one-time adjustment of approved ambulance rates to match the LA County General Public Ambulance Rates and the consolidation of oxygen and medical supply charges into the BLS Base Rate.

Requested rate and structure below:

Type of Charge	Basis for Charge	Approved Rate
Emergency BLS Base Rate	Applicable for urgent of Code 3 response at the request of a public safety employee	\$1,832.27
Mileage	Per patient mile or fraction thereof	\$19.05
Standby	Per 15 minutes, after the first 15 minutes and any fraction thereof	\$129.00

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The proposed BLS Base rate represents an approximate 32% increase in BLS rates, while simultaneously consolidating line-item charges for oxygen and expendable medical supplies.

The proposed new rate is significantly lower than the ambulance rate recently approved by the Laguna Beach City Council. In comparison to surrounding Counties, the proposed rates are significantly lower than the new rates utilized in the City of San Diego with their new ambulance contractor and slightly lower for approved BLS rates in Riverside and San Bernardino Counties.

Emergency (9-1-1) ambulance services in Orange County, provided under contract with the County of Orange are provided without a government subsidy. Not a single dollar of Orange County collected tax dollars are used to fund ambulance services providing essential emergency ambulance services to the Orange County EOA contracts. Ambulance services to these contracts are all funded only through fee for service billings, meaning the user or their insurance company is billed for the service.

This fee increase will not affect MediCare or MediCal users. Unfortunately, MediCare and MediCal reimbursements are intentionally set below the cost of providing services. This one-time rate adjustment is needed to ensure the proper delivery of emergency (9-1-1) services in Orange County and to help solve an EMT recruitment and retention challenge.

Sincerely



Chad Druten
AAOC President

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