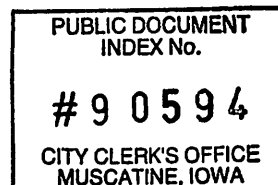


September 16, 2008

To: A.J. Johnson

From: Chief Dalbey

Subject: Ambulance Mileage Rate Increase



Wellmark BC/BS has published a new fee schedule for ambulance service reimbursements for members of their provider network. We have been part of that network for a number of years. The new fee schedule includes reductions in payments for ambulance services that, when compared to FY07 run statistics, might have resulted in a reduction of \$12,000 in revenues. That reduction would have been offset by a \$3,000 increase in mileage reimbursement since the Wellmark fee schedule pays at a higher rate than what we charge. In other words, the new fee schedule pays at a lower rate for the base charge but a higher rate for mileage.

However, in order to get paid at the higher mileage rate we have to actually charge them for mileage at the higher rate on their fee schedule, which is \$10 per loaded mile. We currently charge \$9.37 per loaded mile. I would like permission to authorize our billing company to raise our mileage rate from the current level of \$9.37 per loaded mile to \$10 per loaded mile in order to capture the maximum amount payable by BC/BS in order to offset part of the negative impact of the rest of their fee schedule. This will also allow us to capture a little more from Medicare as well since we are charging less than their allowable mileage rate of \$9.63. It also means that all ambulance service customers/insurance companies will be charged \$10 as well. We cannot just charge Wellmark and Medicare the higher rate; it must be charged the same across-the-board.

Please place this on the agenda for the September 18 City Council meeting for their approval. If approved, the change will take effect on October 1, 2008, the date that the new fee schedule will go into effect. Thank you.