



Department of Administration
Budget and Policy Division

Tom Barrett
Mayor

Sharon Robinson
Administration Director

Mark Nicolini
Budget and Management Director

February 28, 2007

Ref: SF Fire Dept

Public Safety Committee
City Hall Room 205
City of Milwaukee

Subject: Common Council File Number 061232

Dear Honorable Members:

On February 15, the Committee held Common Council File Number 061232 at the call of the Chair. This file establishes reimbursement rates for Fire Department provision of Advanced Life Support (ALS) services. I am writing to address concerns raised about the file and to highlight estimated general fund revenue losses that result from inaction on this file.

Loss of Revenue: This ordinance establishes a fee schedule for patient charges for advanced life support level services and transports delivered by fire department paramedic units that operate under the countywide paramedic system agreement. The Milwaukee County Association of Fire Chiefs and the Intergovernmental Cooperation Council of Milwaukee County approved the rates included in this file. Based on call volume and rate of payments generated within the City of Milwaukee, delaying this file is costing the city approximately \$50,000 to \$60,000 per month. The Comptroller did not recognize the potential increase in funding itemized by file #061232 for 2007 revenues. Therefore, this foregone revenue represents a lost opportunity for an inflow to the Tax Stabilization Fund.

General Fund Revenue: The language in the file has been reworded to accurately reflect that these revenues will be retained in the City of Milwaukee General Fund as in prior years. It was never the intent of the Administration that these funds be directed as special revenue for the Milwaukee Fire Department. The Comptroller has reviewed the changed wording and has no objection with the new draft of the ordinance.

BLS Rate parity: At the hearing, a person testifying on behalf of privately owned ambulance services raised the issue of parity in rates in the infrequent event that a private company provides ALS level services and transports. It is my understanding that this issue should be considered separately via the yearly Private Ambulance Conveyance Rate file. The Commissioner of Health proposes an annual file that adjusts private company rates. This file is presented to the Public Safety Committee.

The rate schedule set last year (Common Council file #060330), which currently governs what the private providers charge for ALS transports, allows private providers to charge 14% more for ALS transports than the countywide paramedic system units are allowed to charge. There is no fiscal impact on the city if the city were to allow the private providers to charge the same rates for ALS transports as County EMS System units. I believe it is appropriate for the Committee to consider such a rate structure at the appropriate time.

Billing Contract/Procurement Process: The 2007-2008 Emergency Medical Services Agreement established with Milwaukee County requires provider municipalities to take over the billing functions for EMS. This will be executed through a Value Request for Proposal (RFP) led by the City of Wauwatosa. The City of Milwaukee Purchasing Director is working closely with the ICC Value team on the draft RFP to ensure that the RFP reflects the city's needs. The contract will also reflect the city's EBE requirements.

I anticipate that the RFP will be issued in early March. The county has agreed to continue to provide the billing service until a new contract is awarded. It appears the city will not need an interim contract. Questions regarding legal or process issues on procurement and contracting for billing should be directed to the City Purchasing Director.

I urge the Committee to recommend adoption of this file at its next hearing. This action serves the city's fiscal interests and enables the uninterrupted provision of ALS services from the Milwaukee Fire Department.

I hope this information is useful to you. Please call Jennifer Meyer at extension 3182 if you have any questions.

Sincerely,



Mark Nicolini
Budget and Management Director

JM:cei

Cc: William Wentlandt, Fire Chief
W. Martin Morics, City Comptroller
Alderman Willie Hines, Common Council President
Rhonda Kelsey, Mayor's Office Policy Planning Coordinator
Marianne Walsh, Common Council Fiscal Manager ✓