



Travis County Commissioners Court Agenda Request

Meeting Date: August 20, 2013

Prepared By/Phone Number: Yolanda Reyes, (512)854-9106

Elected/Appointed Official/Dept. Head: Leslie Browder, County Executive, Planning and Budget *LB*

Commissioners Court Sponsor: Judge Samuel T. Biscoe

AGENDA LANGUAGE: Consider and take appropriate action on the *STAR Flight Fees* for FY 2014 to take effect on October 1, 2013.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:
Please see attached documentation

STAFF RECOMMENDATIONS: Please see attached documentation

ISSUES AND OPPORTUNITIES: Please see attached documentation

FISCAL IMPACT AND SOURCE OF FUNDING: Please see attached documentation.

REQUIRED AUTHORIZATIONS:

Leslie Browder – Planning and Budget Office, 512-854-9106

Jessica Rio – Planning and Budget Office, 512-854-9106

David Salazar - County Judge's Office, 512-854-9555



PLANNING AND BUDGET OFFICE
TRAVIS COUNTY, TEXAS

314 W. 11th Street
P.O. Box 1748
Austin, Texas 78767

MEMORANDUM

TO: Members of the Commissioners Court
FROM: William Derryberry, Senior Planning and Budget Analyst
DATE: August 15, 2013
SUBJECT: *STAR Flight* Fees for FY 2014

A handwritten signature in blue ink, appearing to be "WD", is written over the "FROM:" line of the memorandum.

As a part of the annual budget process, the County Executive, Emergency Services has recommended increases to the *STAR Flight* Helicopter fees and the Ground Ambulance - Critical Care (Specialty) Fees as outlined in the attached memorandum.

STAR Flight is proposing to increase helicopter fees as follows:

The Travis County resident Lift Off fee would rise from \$3,400 to \$3,900, with a loaded mileage fee (loaded mileage is a one-way charge when a patient is in the helicopter in transport) increase from \$85 to \$105. The Non-Travis County Lift Off fee would rise from \$7,500 to \$8,700. The Non-Travis county residents would pay \$4,800 more on the Lift Off fee than the Travis County residents.

STAR Flight in their proposal indicates the following:

The fee increases are based on increased ongoing operating and maintenance costs increases from FY 11 Adopted through the FY 14 Preliminary of \$504,665, primarily related to the following:

- Personnel cost increases of \$271,828 related to the market salary adjustments of \$154,132 that were implemented in April 2012 and *STAR Flight* Medical Director funding of \$91,000 shifted from the EMS Interlocal in 2012,
- Helicopter and related equipment repairs of \$101,415,
- \$81,000 for contract billing costs, and
- \$55,597 for an increase in fuel costs.

Additionally, in the FY 14 Preliminary Budget there are estimated one-time costs for helicopter maintenance of \$283,379.

The current resident Lift-Off fee is below the Medicare allowable reimbursement rate and should be increased to achieve maximum reimbursement in some portions of Travis County and Out-of-County areas.

- Medicare determines reimbursement by zip code. Each zip code is classified as Urban, Suburban, Rural and Frontier with higher reimbursements as you move from Urban to Frontier. Currently, the Travis County contract billing company (Intermedix) has stated that they see some patients in

the outlying areas of Travis County that may be under the Medicare allowable in the Rural and Frontier zip code classifications.

In FY 12, a total of 40, or 7.0% of all 569 flights were related to Medicare payments of \$134,693, or 5.3% all payments of \$2,527,662. The flights below the Medicare allowable reimbursement rate in Travis County are a subset of the 40 flights billed at \$134,693. Based on information from Intermedix, there were lost recovery opportunities of approximately \$29,000 per year related to the Medicare allowable reimbursement rate.

- Further, if *STAR Flight* picks up a Travis County resident in Burnet or Llano County then *STAR Flight* may be under the allowable for that flight at this time.

The recommended fees would still be competitive within the air medical industry based on information from the Travis County billing company (Intermedix), patients and County residents served by other air medical providers.

STAR Flight fees have not been increased since 2010.

The following schedule provides a summary of Travis County Lift Off fees since FY 2001.

STAR Flight Lift Off Fee History

Fiscal Years	In County	Out of County
FY 01	\$1,600	\$2,600
FY 02 & 03	\$1,600	\$3,400
FY 04 & 05	\$2,000	\$4,000
FY 06	\$2,000	\$4,500
FY 07 & 08	\$2,500	\$5,000
FY 09 & 10	\$2,700	\$7,000
FY 11 Thru 13	\$3,400	\$7,500
Proposed FY 14	\$3,900	\$8,700

The Ground Ambulance-Critical Care (Specialty) service has not been used to transport a patient since 2010. This service was almost needed twice this year and these rates are requested for adjustment in the event it may be used.

The Planning and Budget Office supports this requested increase to the *STAR Flight* fees.

Due to data confidentiality issues as well as the uncertainty surrounding the timing and amount of payments, PBO does not expect any material revenue increase to be included in the Fifth Revenue Estimate. The impact of these fee increases, if approved, will be reassessed during the FY 15 budget process. If you have any questions or comments, please call me at 512-854-4741.

Cc: Danny Hobby, County Executive, Emergency Services
Casey Ping, Program Director, *STAR Flight*
Leslie Browder, County Executive, PBO
Jessica Rio, Budget Director, PBO
Diana Ramirez, Assistant Budget Director, PBO
Daniel Wilson, County Auditor's Office



Austin-Travis County
STAR Flight



7800 Old Manor Road
Austin, TX 78724
www.starflightrescue.org

Dispatch 1-800-531-STAR
Administration (512) 854-6464
Fax (512) 854-6466

To: Travis County Commissioners Court
Through: Danny Hobby, County Executive, Emergency Services
From: Casey Ping, Program Director, **STAR Flight**
Date: August 12, 2013
Subject: Increase in **STAR Flight** Fee's

Emergency Services and the **STAR Flight** management team have completed a review of our current fee structure. We recommend to the Commissioners Court that the following increases be approved:

STAR Flight Helicopter

Lift Off Fee

Travis County resident fee from \$3,400 to \$3,900

Non Travis County lift-off fee from \$7,500 to \$8,700

Mileage Fee (Loaded/One Way)

\$85 to \$105

STAR Flight Ground Ambulance- Critical Care (Speciality)

Base Fee

\$990 to \$1,500

Mileage Fee

\$12.50 to \$15.00

The fee increases are based upon increased cost (salaries, fuel, operations) and address increased maintenance costs along with reduced reimbursements and settlements that are occurring as a result of tough economic times. The uninsured also impacts the total cost of the services since little reimbursement is achieved.

In addition, there are some areas of Travis County and areas of out-of-county that the current resident lift-off fee is below the Medicare allowable and should be increased to achieve maximum reimbursement.

See Attachment A for a complete history of fee increases in prior years.

The recommended fees are still very competitive within the air medical industry, especially when you consider the capability and safety equipment of the **STAR Flight** aircraft and personnel.

Travis County has not increased **STAR Flight** fees since 2010.

Please let me know if you have any questions or need additional information.

Thank you.

ATTACHMENT A

July 31, 2001

CURRENT RATE STRUCTURE

In County Lift Off:	\$1,600
Out of County Lift Off:	\$2,600
In and Out of County Mileage:	\$50

PROPOSED FY 2002 RATE STRUCTURE

In County Lift Off:	\$1,600
Out of County Lift Off:	\$3,400 (\$800 increase)
In and Out of County Mileage:	\$50

September 16, 2003

CURRENT RATE STRUCTURE

In County Lift Off:	\$1,600
Out of County Lift Off:	\$3,400
In and Out of County Mileage:	\$50

PROPOSED FY 2004 RATE STRUCTURE

In County Lift Off:	\$2,000 (\$400 increase)
Out of County Lift Off:	\$4,000 (\$600 increase)
In and Out of County Mileage:	\$50

June 14, 2005

CURRENT RATE STRUCTURE

In County Lift Off:	\$2,000
Out of County Lift Off:	\$4,000
In and Out of County Mileage:	\$50

PROPOSED FY 2006 RATE STRUCTURE

In County Lift Off:	\$2,000
Out of County Lift Off:	\$4,500 (\$500 increase)
In and Out of County Mileage:	\$55 (\$5 increase)

September 4, 2006

CURRENT RATE STRUCTURE

County Residents Lift Off:	\$2,000
Non County Residents Lift Off:	\$4,500
In and Out of County Mileage:	\$55

PROPOSED FY 2007 RATE STRUCTURE

County Residents Lift Off:	\$2,500	(\$500 increase)
Non County Residents Lift Off:	\$5,000	(\$500 increase)
In and Out of County Mileage:	\$65	(\$10 increase)

July 1, 2008

CURRENT RATE STRUCTURE

County Residents Lift Off:	\$2,500
Non County Residents Lift Off:	\$5,000
In and Out of County Mileage:	\$65

PROPOSED FY 2009 RATE STRUCTURE

County Residents Lift Off:	\$2,700	(\$200 increase)
Non County Residents Lift Off:	\$7,000	(\$2,000 increase)
In and Out of County Mileage:	\$85	(\$20 increase)

January 19, 2010

CURRENT RATE STRUCTURE

County Residents Lift Off:	\$2,700
Non County Residents Lift Off:	\$7,000
In and Out of County Mileage:	\$85

PROPOSED FY 2011 RATE STRUCTURE

County Residents Lift Off:	\$3,400	(\$700 increase)
Non County Residents Lift Off:	\$7,500	(\$500 increase)
In and Out of County Mileage:	\$85	(no increase)

August 20, 2013

STAR Flight Helicopter Fees

CURRENT RATE STRUCTURE

County Residents Lift Off:	\$3,400
Non County Residents Lift Off:	\$7,500
In and Out of County Mileage:	\$85

PROPOSED FY 2014 RATE STRUCTURE

County Residents Lift Off:	\$3,900 (\$500 increase)
Non County Residents Lift Off:	\$8,700 (\$1,200 increase)
In and Out of County Mileage:	\$105 (\$20 increase)

STAR Flight Ground Ambulance Fee

NOTE: Established in 2010 during Intermedix contract. NOTE: This is critical care rates.
Not ALS2 rate charged by Austin-Travis County EMS.

CURRENT RATE STRUCTURE

Base:	\$990
Mileage:	\$12.50 per loaded mile

PROPOSED FY 2014 RATE STRUCTURE

Base:	\$1,500 (\$510 increase)
Mileage:	\$15.00 (\$2.50 increase)