



Response to Questions on the 2016 LOBs

Request By: Supervisor Gross

Relevant LOB(s): LOB# 240

Question: 2-LOBs: How much revenue is lost as a result of the FRD's compassionate billing policy on emergency transport fees?

Response:

In 2005 the Emergency Medical Service Transport Billing Program was implemented. Since inception, the program has generated approximately \$153 million for the County's General Fund in support of general government operations. The program's foundation includes several important guiding principles including: ensuring no one suffers financial hardship as a result of an emergency medical transport and never considering the ability to pay when providing service. To meet that objective, a compassionate billing policy was developed, establishing a waiver program for patients with financial hardship and considering accounts uncollectible if an insurance company ultimately rejects the claim.

In late FY 2011 and in conjunction with the Office of Financial and Program Audit, Fairfax County Fire and Rescue Department (FRD) performed a review to estimate the potential for collecting additional revenue if the compassionate billing policy was eliminated. To reach a reasonable estimate for typical collection rates, comparable jurisdictions were studied. Findings revealed that 12 to 13 percent is the typical rate of return on secondary collection accounts. Based on this information, FRD determined that the revenue lost as a result of the FRD's compassionate billing policy on emergency transport fees is, at most, \$360,000 annually.