



CENTRAL MISSISSIPPI OPERATIONS

600 Melvin Bender Drive, Jackson, MS 39213

Administration (601) 713-4340 • Dispatch (601) 982-2775 • Fax (601) 982-2297

TRANSMITTED BY EMAIL THIS DATE

July 17, 2014

Mr. Karl Banks, President
Madison County Board of Supervisors
125 West North Street
Canton, MS

Dear Supervisor Banks

Records will show that AMR has not adjusted existing fees we charge Madison County patients and their insurers since 2008 (except for a reduction in one item in 2011). New technology, increasing expenses and insurers' changing practices for reimbursement now make it necessary to adjust our fees. With this letter, AMR conveys to the Madison County Board of Supervisors that, effective July 23, 2014:

1. We will increase the fees for selected items among our existing fees which we charge patients and their insurers (*approximately one of every three items*), and
2. We will begin assessing fees for several forms of treatment for which we have not been charging (most of which were adopted quite recently).

Note: One fee we're implementing will **reduce** certain patients' charges by \$150 per transport.

In this packet, we provide **details on all the fee adjustments we feel are in order.**

- I. **First**, however, we offer some **background** on contractual provisions between the County and AMR over the years.
 - A. **Our current contract does not comment on fee adjustments (except for increases needed in unusual circumstances):** As you know, AMR has served Madison County since 1991. Our current contract addresses adjusting our fees in only one section (#13). That section solely discusses adjusting fees in extraordinary circumstances known as "material changes." After considerable research, we have determined every contract between us since March 1999 has been mute on fee adjustments other than those due to "material changes." The contract which ended in 1999 flowed from our original contract in 1991. The agreement that ended in 1999 allowed AMR to increase fees by 10 percent per year. Our present management team knows of no year since 1991 in which we increased fees by *anywhere near* 10 percent. Further, the Madison County ordinance for ambulance service is also mute on fee adjustments.

For your convenience, we are attaching Section 13 of our current contract.

We at AMR have striven to limit fee increases and, indeed, we have on occasion *lowered* fees. You may recall: In 2011, we **reduced** the fee we charge for each mile a patient is on board an ambulance by 32 percent.

B. It is more than a courtesy to inform the Board about fee adjustments: County officials have a keen need to know and a strong interest in knowing about AMR's schedule of fees. Thus, we see it as much more than a courtesy to keep you informed when we adjust our fees.

II. We now present specifics on the fee adjustments we will implement as of 7/23:

A. Two-thirds of items on schedule are NOT increased: The attached fee schedule lists some 98 individual charges. We are increasing only about one-third of the fees in the list. In the attached spreadsheet containing all the fee adjustments -- in the column titled "% increase," you will see about 66 items marked as 0.00%.

B. Aggregate increase is 7.08 percent more than previous fees: The overall increase we will put in place on 7/23/14 is 7.08 percent higher than the fees in place since 2008. **We feel this increase is modest** given it is our first in six years. Consider these points, please:

1. Since 2008, the two leading indicators of trends in medical expenses -- the Consumer Price Index for Medical Care and the Consumer Price Index for Medical Care Services -- averaged together, have increased 15.8 percent.
2. If one divides 15.8 percent by six years, those two CPI's have increased 2.63 percent for each year since our last increase.
3. When one divides 7.08 percent by six years, the increase we will implement averages 1.18 percent each year since our last increase.
4. In other words, our increase is well below half the increase in those two medically-related CPIs since 2008.

C. No increase in base rates or mileage fee: It is highly significant, in our view, that we are **NOT increasing our base rates or our charge for each mile** the patient is transported. Those two fees comprise **the lion's share** of every bill we send to patients and / or their insurers.

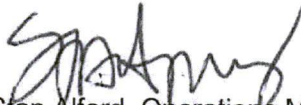
D. Basic Life Support Non-emergency base rate reduces overall charge per transport for some patients by \$150: See E. 3. below, which indicates that our implementing a "BLS Non-emergency" base rate which will **reduce** our charges to certain patients by \$150 per transport.

E. Rationale for the adjustments we are implementing:

1. We need to **increase certain existing fees (which do not include base rates and mileage)**, to better align the cost we incur for providing those forms of treatment with our revenue.
2. We need to **add new charges** for medications and procedures we have **recently adopted** (but for which we have not been charging). New fees are not increases, since such fees do not currently exist. Instead, we are *adding new fees* to recoup costs for *new forms of treatment*. (We offer this analogy: Any healthcare practitioner – say, a dentist – creates a new fee after adding a new therapy to his or her practice.)
3. We are implementing a base rate for Basic Life Support Non-emergency transports. More and more insurers pay us only for the level of care provided. Such insurers refuse to pay us or resist paying us Advanced Life Support rates unless we provide ALS, *despite mandates* in our county contracts to staff, equip and stock every ambulance for Advanced Life Support. Putting in place a BLS Non-emergency base rate better reflects today's reimbursement realities and the realities to come. **The BLS Non-emergency base rate will lower our overall bill for some patients and their insurers by \$150.00 per transport.**

AMR is grateful for the opportunity to continue providing high quality, cost-effective ambulance service to Madison County. To discuss this letter or other topics, please call me anytime (cell 601-238-1366; office 601-368-2304).

Sincerely



Stan Alford, Operations Manager
AMR Central Mississippi

CC: The county's other four Supervisors, Mr. Houston, Mr. Vance, Mr. Pigg, Counselor Espy, Ms Parker

Enclosures: Section 13 of current contract;
new AMR fee schedule for Madison County as of 07/23/2014

Section 13 of current Madison Co.-AMR contract
(the only reference to fee adjustments in the contract)

beyond the reasonable control of AMR. Such causes shall include, but shall not be limited to the following: acts of God; acts of war, riot, accident, flood or sabotage; unavailability of adequate fuel, power or materials; judicial or governmental laws, regulations, requirements, orders or actions; injunctions or restraining orders which are ultimately determined to have been wrongfully granted; the failure of any governmental body to issue or grant, or the suspension or revocation of, licenses, permits or other approvals or authorizations necessary for the performance of the services contemplated by this Agreement; or national defense requirements.



13. **Material Changes.** In the event that any laws, rules or regulations are adopted, amended or interpreted in such a manner that results in a material adverse impact on reimbursement for medical transports or requires reimbursement to be based on the clinical level of service actually performed or provided, or there is a material decline in total transport volume in AMR's Central Mississippi operations: (a) AMR will only be obligated to provide ALS Ambulance services when it may be reimbursed for such services and it may provide basic life support (BLS) Ambulance services for all other calls; (b) upon AMR's request, the County and AMR shall renegotiate, in good faith, the rates and fees which AMR may charge to its Patients and the subsidy provided hereunder by the County; and (c) AMR may elect to terminate the Agreement upon ten (10) days prior written notice to the County. If AMR elects to exercise either of the options set forth in a) or b) above, the County shall modify any provision of the Agreement or Ordinance inconsistent with this Section and such election(s).

14. **Discount Pricing.** AMR shall not enter into contracts or pricing agreements that violate anti-kickback statutes.

15. **Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous arrangements or understandings with respect thereto.

16. **Notices.** Any notice to be given pursuant to this Agreement shall be in writing; and shall be deemed to have been given when delivered in person, or at the close of the second business day after mailing if sent by registered or certified mail, postage prepaid, addressed to the address set forth below of the party to which notice is being given, or upon actual receipt of telegram, telex or facsimile transmission.

TO AMR:
General Manager
American Medical Response
600 Melvin Bender Drive
Jackson, MS 39213
(601) 713-4340 FAX (601) 982-5385

WITH MANDATORY COPY TO:
Legal Department
American Medical Response, Inc.
6200 South Syracuse Way, Suite 200
Greenwood Village, CO 80111

TO THE COUNTY:
Madison County Chancery Clerk
146 West Center Street
Canton, MS 39046
(601) 859-1177

17. **Modification.** No provision of this Agreement can be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom the enforcement of any modification, change, discharge or termination is sought.

AMR's SCHEDULE OF CHARGES FOR MADISON COUNTY PATIENTS AND THEIR INSURERS

Effective 7-23-14

CODE	FEES FOR EXISTING ITEMS	2008 Charge	2014 Charge	Percentage Increase
1109	RESUSCITATION (DISCONTINUED IN FIELD)	\$400.00	\$400.00	0.00%
1115	AMBULANCE LEASE RATE	\$75.00	\$75.00	0.00%
1116	NEONATAL ¼-HOUR LEASE RATE	\$11.11	\$11.11	0.00%
1119	TRANSPORT FOR ORGAN RECOVERY TEAM	\$375.00	\$375.00	0.00%
1120	ADVANCED LIFE SUPPORT ("ALS") NON-EMERGENCY/NON-AMBULANCE	\$850.00	\$850.00	0.00%
1150	ALS NON-EMERGENCY BASE	\$850.00	\$850.00	0.00%
1151	ALS EMERGENCY BASE	\$950.00	\$950.00	0.00%
1152	ALS LEVEL 2 BASE	\$1,050.00	\$1,050.00	0.00%
1153	SPECIALTY CARE TRANSPORT BASE	\$1,300.00	\$1,300.00	0.00%
1154	ALS EMERGENCY ASSESSMENT	\$950.00	\$950.00	0.00%
1170	ALS NON-EMERGENCY MANDATED	\$850.00	\$850.00	0.00%
1171	ALS EMERGENCY MANDATED	\$950.00	\$950.00	0.00%
1300	MULTIPLE STRETCHER - 2 PATIENTS - ALS 1	\$712.50	\$712.50	0.00%
1303	MULTI STRETCHER - 3 PATIENTS - ALS 1	\$570.00	\$570.00	0.00%
1304	MULTIPLE STRETRCHER - 3 PATIENTS BLS EMERGENCY	\$345.00	\$345.00	0.00%
1305	MULTIPLE STRETCHER - 2 PATIENTS - ALS 2	\$787.50	\$787.50	0.00%
1306	MULTIPLE STRETCHER - 3 PATIENTS - ALS 2	\$630.00	\$630.00	0.00%
1307	MUTLIPLE STRETCHER -2 PATIENTS - ALSM	\$712.50	\$712.50	0.00%
1308	MULTIPLE STRETCHER - 3 PATIENTS - ALSM	\$570.00	\$570.00	0.00%
1309	MULTIPLE STRETCHER - 2 PATIENTS - ALS ASSESSMENT	\$712.50	\$712.50	0.00%
1310	MULTIPLE STRETCHER - 3 PATIENTS - ALS ASSESSMENT	\$570.00	\$570.00	0.00%
1400	WHEELCHAIR VAN BASE	\$55.00	\$55.00	0.00%
1401	WHEELCHAIR VAN ROUNDTRIP	\$40.00	\$40.00	0.00%
1403	WHEELCHAIR VAN PRE-SCHEDULED	\$45.00	\$45.00	0.00%
1404	WHEELCHAIR VAN ADDITIONAL PATIENT	\$25.00	\$25.00	0.00%
1600	NON-COVERED SERVICES BASE	\$850.00	\$850.00	0.00%
1700	NEONATAL TRANSPORT	\$250.00	\$250.00	0.00%
2101	FREE ALS MILEAGE	\$0.00	\$0.00	0.00%
2103	ALS NON-EMERGENCY MILEAGE	\$17.00	\$17.00	0.00%
2105	NON-COVERED SERVICE MILEAGE	\$17.00	\$17.00	0.00%
2110	MILEAGE TRANSPORTING ORGAN RECOVERY TEAM	\$8.00	\$8.00	0.00%
2111	MISSISSIPPI MEDICAID MILEAGE ≤ 25 MILES	\$17.00	\$17.00	0.00%
2150	ALS MILEAGE	\$17.00	\$17.00	0.00%
2190	ALS MILEAGE, SECOND TRIP	\$17.00	\$17.00	0.00%
2201	FREE BASIC LIFE SUPPORT ("BLS") MILEAGE	\$0.00	\$0.00	0.00%

2250	BASIC LIFE SUPPORT MILEAGE	\$17.00	\$17.00	0.00%
2301	FREE WHEELCHAIR VAN MILEAGE	\$0.00	\$0.00	0.00%
2350	SPECIALTY CARE TRANSPORT MILEAGE	\$17.00	\$17.00	0.00%
2400	WHEELCHAIR VAN MILEAGE	\$9.00	\$9.00	0.00%
2600	NEONATAL MILEAGE	\$6.00	\$6.00	0.00%
2996	MULTI STRETCHER MILEAGE - ALS - 2 PATIENTS	\$8.50	\$8.50	0.00%
2997	MULTI STRETCHER MILEAGE - ALS - 3 PATIENTS	\$5.67	\$5.67	0.00%
3001	OXYGEN	\$40.00	\$50.00	25.00%
3003	DISPOSABLE ORAL/NASAL AIRWAY	\$6.00	\$6.00	0.00%
3004	COLD/HOT PACK	\$8.00	\$8.00	0.00%
3006	DEFIBRILLATOR ELECTRODES & DISPOSABLE SUPPLIES	\$50.00	\$50.00	0.00%
3007	DRESSING - MAJOR	\$10.00	\$13.00	30.00%
3008	DRESSING - MINOR	\$5.00	\$9.00	80.00%
3009	GLUCOSE TEST SUPPLIES	\$30.00	\$30.00	0.00%
3010	INTUBATION SUPPLIES	\$25.00	\$40.00	60.00%
3012	IRRIGATION FLUID	\$16.00	\$16.00	0.00%
3013	INTRAVENOUS /INTRAOSSEOUS INFUSION SUPPLIES & 1 BAG OF FLUID	\$75.00	\$85.00	13.33%
3016	ELECTROCARDIOGRAM MONITOR ELECTRODES & SUPPLIES	\$21.00	\$25.00	19.05%
3017	NEBULIZER	\$35.00	\$40.00	14.29%
3018	OBSTETRIC (CHILDBIRTH) PACK	\$36.00	\$36.00	0.00%
3019	PACING ELECTRODES & DISPOSABLE SUPPLIES	\$115.00	\$115.00	0.00%
3020	SLING/SWATH	\$10.00	\$10.00	0.00%
3022	CERVICAL COLLAR - DISPOSABLE	\$40.00	\$40.00	0.00%
3023	SUCTION TUBE/TIP DISPOSABLE SUPPLIES	\$16.00	\$20.00	25.00%
3025	END-TIDAL CARBON DIOXIDE DETECTION SUPPLIES	\$75.00	\$84.00	12.00%
3027	PULSE OXIMETRY SUPPLIES	\$55.00	\$55.00	0.00%
3029	DISPOSABLE ENDOTRACHEAL OBTURATOR AIRWAY TUBE	\$45.00	\$45.00	0.00%
3051	INFECTION PRECAUTION SUPPLIES	\$20.00	\$30.00	50.00%
3055	DISPOSABLE LINEN	\$30.00	\$30.00	0.00%
3072	DISPOSABLE SUPPLIES	\$20.00	\$20.00	0.00%
3091	LARYNGOSCOPE BLADE	\$20.00	\$23.00	15.00%
3092	ELECTROCARDIOGRAM - AT LEAST 12 LEADS	\$120.00	\$145.00	20.83%
33200	AMBU-BAG/BAG-VALVE-MASK	\$55.00	\$61.00	10.91%
3900	ALS DISPOSABLE SUPPLIES	\$0.00	\$0.00	0.00%
4001	ALBUTEROL/PROVENTIL	\$40.00	\$48.00	20.00%
4003	ATROPINE	\$28.00	\$30.00	7.14%
4004	BENADRYL	\$11.00	\$13.00	18.18%
4006	CALCIUM CHLORIDE	\$16.00	\$16.00	0.00%
4007	DEXTROSE 50%	\$16.00	\$20.00	25.00%
4008	DOPAMINE DRIP	\$26.00	\$28.00	7.69%
4009	EPINEPHERINE 1:10,000	\$20.00	\$23.00	15.00%

4010	GLUCAGON	\$100.00	\$121.00	21.00%
4011	EPINEPHRINE 1:1,000	\$16.00	\$17.50	9.38%
4013	LASIX	\$16.00	\$16.00	0.00%
4014	LIDOCAINE 100 MILLIGRAMS	\$22.00	\$22.00	0.00%
4015	LIDOCAINE DRIP	\$40.00	\$40.00	0.00%
4016	MAGNESIUM SULFATE	\$40.00	\$40.00	0.00%
4017	MORPHINE	\$18.00	\$23.00	27.78%
4018	NARCAN	\$48.00	\$48.00	0.00%
4019	NITROGLYCERIN TABLETS/SPRAY	\$5.00	\$6.00	20.00%
4022	SODIUM BICARB	\$16.00	\$16.00	0.00%
4023	VALIUM	\$18.00	\$23.00	27.78%
4026	DECADRON (DEXAMETHASONE)	\$16.00	\$16.00	0.00%
4030	ADENOCARD (ADENOSINE) 6 MILLIGRAMS	\$60.00	\$74.00	23.33%
4042	PHENERGAN	\$20.00	\$20.00	0.00%
4047	THIAMINE 100	\$16.00	\$16.00	0.00%
4048	TERBUTALINE (BRICANYL)	\$75.00	\$75.00	0.00%
4049	INSTANT GLUCOSE	\$10.00	\$10.00	0.00%
4052	ACTIVATED CHARCOAL	\$20.00	\$20.00	0.00%
4053	DOBUTAMINE	\$100.00	\$100.00	0.00%
4070	HALDOL	\$50.00	\$50.00	0.00%
4077	INTRAVEOUS NORMAL SALINE DISPOSABLE SUPPLIES	\$30.00	\$37.50	25.00%
4081	ORAL ASPIRIN TABLET	\$1.00	\$1.00	0.00%
4089	DEXTROSE 25%	\$25.00	\$25.00	0.00%
4099	SODIUM BICARBONATE 50 MILLIEQUIVALENTS	\$16.00	\$16.00	0.00%
4101	EPINEPHRINE 1:1,000 30 CC	\$35.00	\$35.00	0.00%
4106	ATROVENT	\$25.00	\$30.00	20.00%
4108	VASOPRESSIN	\$40.00	\$45.00	12.50%
4109	BENZOCAINE SPRAY	\$75.00	\$75.00	0.00%
4117	DIPRIVAN/PROPOFOL	\$44.80	\$44.80	0.00%
5006	DEFIBRILLATION/NON-DISPOSABLE	\$45.00	\$45.00	0.00%
5011	INTRAOSSEOUS PROCEDURE	\$125.00	\$125.00	0.00%
5029	ELECTROCARDIOGRAM MONITOR	\$34.00	\$66.00	94.12%
5033	INTRAVENOUS SALINE LOCK	\$55.00	\$55.00	0.00%
5037	VENTILATOR CIRCUIT	\$100.00	\$115.00	15.00%
5038	INFUSION PUMP	\$50.00	\$50.00	0.00%
5044	SPINAL IMMOBILIZATION	\$45.00	\$45.00	0.00%
5048	PRONOUNCEMENT OF DEATH	\$400.00	\$400.00	0.00%
5054	INDUCED HYPOTHERMIA	\$50.00	\$50.00	0.00%
5056	BLOOD PRESSURE MONITOR	\$30.00	\$30.00	0.00%
5059	CONTINUOUS POSITIVE AIRWAY PRESSURE	\$65.00	\$89.00	36.92%
6020	ADDITIONAL ATTENDANT	\$60.00	\$60.00	0.00%

6071	TREAT AND RELEASE FEE	\$120.00	\$120.00	0.00%
6075	PATIENT ASSESSMENT INCLUDING ALS TREATMENT	\$400.00	\$400.00	0.00%
9999	MISCELLANEOUS CODE	\$0.01	\$0.01	0.00%
			Avg Total % Increase	7.08%

NOTE Medication charges are per dose.

NOTE Mileage: for each mile a patient is on-board ambulance.

Items/Services To Be Implemented as of 7-23-14		
1250	Basic life support non-emergency base	\$700.00
	Demerol	\$23.00
	Versed	\$23.00
	Zofran PO	\$6.00
	Zofran IV/IM	\$23.00
	Dextrose10 250cc IV Solution	\$23.00
	Zyprexa	\$74.00
	Compazine	\$23.00
	Levophed	\$23.00
	Geodon	\$45.00
	Cardboard Splint	\$10.00
	Nasogastric tube	\$7.50
	Huber Needle	\$15.50
	CAT tourniquet application	\$65.00
	Lorazepam	\$23.00
	Fentanyl citrate	\$35.00