



CITY COUNCIL AGENDA REPORT

MEETING DATE: JANUARY 18, 2005

ITEM NUMBER:

SUBJECT: DRAFT ORDINANCE AMENDING TITLE 7 OF THE COSTA MESA MUNICIPAL CODE REGARDING ADOPTION OF AN EMERGENCY MEDICAL SERVICES (EMS) SUBSCRIPTION PROGRAM

DATE: JANUARY 5, 2005

FROM: FINANCE DEPARTMENT/ADMINISTRATION

PRESENTATION BY: MARC R. PUCKETT, DIRECTOR OF FINANCE

**FOR FURTHER INFORMATION CONTACT: JIM ELLIS, FIRE CHIEF, (714) 754-5106
MARC PUCKETT, DIRECTOR OF FINANCE,
(714) 754-5243**

RECOMMENDED ACTION:

It is respectfully recommended that City Council give first reading and adoption to the attached ordinance, which amends Title 7 of the Municipal Code by adopting an Emergency Medical Services (EMS) Subscription Program.

BACKGROUND:

Staff presented a report to City Council on potential new revenue sources at a Council Study Session. These potential new revenue sources were deemed necessary to protect erosion of the City's tax base due to state actions and economic considerations. All potential new revenue sources were proposed as enhancements to the general unrestricted revenue in the General Fund. After presentation to Council at the study session, the matter was to be brought forward to Council at a future Council meeting for further consideration.

Council indicated that they were interested in considering the Solid Waste Hauling Franchise Fee, the EMS Subscription Program, the Business License Tax and the Transient Occupancy Tax further. Staff was directed to meet with stakeholders and bring this matter back to Council for further consideration at a City Council meeting.

At the July 6, 2004, City Council meeting, Council directed staff to proceed with implementation of the EMS Subscription Program and, at the August 2, 2004, City Council meeting, Council directed staff to proceed with implementation of the Solid Waste Hauling Franchise Fee.

ANALYSIS:

The EMS Subscription Program, summarized herein, can be implemented by City Council by adopting the attached ordinance enabling the associated fees to be levied and a fee resolution setting the amount of the fee.

Origin: The EMS Subscription Program was created in response to rising health care costs and the recent California budget crisis; events that have had a negative financial impact on Costa

Mesa residents both directly and indirectly by reducing the funds available to the City needed to provide services such as Fire Department paramedics.

Currently, Costa Mesa is the only Fire Department in Orange County that does not bill its own residents for EMS and does not have some type of EMS subscription program.

By not billing our own residents for EMS, the City of Costa Mesa is in effect subsidizing private insurance companies and state and federal governments by paying for a service that would otherwise be funded by private insurance or state or federal health care programs.

Description: The EMS Subscription Program is a voluntary membership program that is designed to help protect families and businesses financially in the event of a medical emergency while simultaneously helping the City of Costa Mesa recover at least some of the costs expended in the provision of critical services such as Fire Department paramedics. To be a member, a person must be at least 18 years of age, be either a citizen or legal resident of the United States, and meet one of the following criteria: 1) Costa Mesa renter; or 2) Costa Mesa homeowner; or 3) Costa Mesa business owner.

Residential memberships (\$36) cover all persons who reside in the member's home anywhere within Costa Mesa city limits. In addition, all invited guests of the member are covered while they are in the member's home or on the property attached to the home. Business memberships (\$36 for the first 10 employees, then \$3 for each additional employee) cover employees anywhere within Costa Mesa city limits so long as they are acting within the scope of their employment.

Should a member ever need to utilize Fire Department EMS, s/he will not have to pay any out-of-pocket expenses toward payment of the proposed Fire Department EMS Response Fee.

There is also a \$12 financial hardship membership for those individuals who can demonstrate financial hardship using a specific formula.

The ordinance would also eliminate the separate ALS and BLS fees and combine them into one EMS Response Fee, the amount of which will be established by subsequent resolution, and will also make clear that the EMS Response Fee will be billed to all users of the City's paramedic services, except to those who are members of the EMS Subscription Program.

Use of Funds – The funds received from the EMS Response Fee billings and the EMS Subscription Program would go directly into the General Fund. These additional funds would be unrestricted general revenues but would, in effect, help recover a portion of the cost of paramedic services primarily from available private health insurance coverages.

ALTERNATIVES

City Council may direct staff to make specific changes or modifications to the proposed Ordinance at its discretion.

Council may choose to proceed with the "first reading" and adoption of the proposed Ordinance.

Or, Council may choose to take no action on the proposed ordinance and receive and file the report.

FISCAL REVIEW

An estimated \$210,000 would be generated by creating a single Fire Department EMS Response Fee, proposed to be \$300, and by authorizing the contract ambulance service company to begin billing Costa Mesa residents.

Additionally, revenues would be raised through the selling of EMS Subscription Program memberships, the amount of which would be dependent on the success of the marketing/advertising campaign. The total additional new revenue from this fee would range from approximately \$200,000 – \$500,000+.

LEGAL REVIEW

The attached ordinance has been reviewed and approved as to form by the City Attorney’s Office.

CONCLUSION:

In order to compensate for rising health care costs and the recent California budget crisis, the EMS Subscription Program is recommended to help ensure that the City of Costa Mesa has the revenue necessary to continue providing the high-level of services expected by our community.

It is therefore respectfully recommended that City Council give first reading and adoption to the attached ordinance, which amends Title 7 of the Municipal Code by adopting an Emergency Medical Services (EMS) Subscription Program.

Marc R. Puckett
Director of Finance

Jim Ellis
Fire Chief

Gregg Steward
Deputy Fire Chief

Larry Grihulva

Attachment 1: [Proposed EMS Subscription Fee Program Ordinance](#)

Copy to: City Manager
Department Directors