



City of Gloucester
City Council

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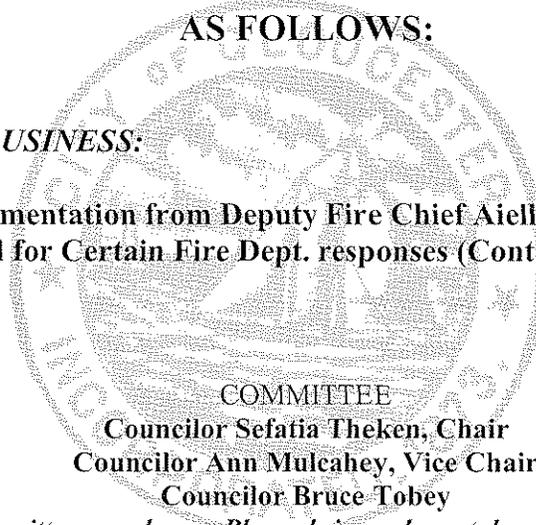
CITY COUNCIL STANDING COMMITTEE
Ordinances & Administration
Monday, March 14, 2011 – 6:30 p.m.
Kyrouz Auditorium – City Hall

ADDENDUM TO AGENDA

**PLEASE NOTE: THE FOLLOWING ITEM IS ADDED TO THE AGENDA
FOR ORDINANCES & ADMINISTRATION COMMITTEE MEETING
AS FOLLOWS:**

2. ***CONTINUED BUSINESS:***

- C) Letter and documentation from Deputy Fire Chief Aiello re: enactment of ordinance to bill for Certain Fire Dept. responses (Cont'd from 02/14/11)



COMMITTEE
Councilor Sefatia Theken, Chair
Councilor Ann Mulcahey, Vice Chair
Councilor Bruce Tobey

Committee members – Please bring relevant documentation

Back-up and Supporting Documentation all on file at the City Clerk's Office, City Hall

CC: Mayor Carolyn Kirk
Jim Duggan
Linda T. Lowe
Suzanne Egan
Robert Ryan/Larry Ingersoll
Fire Chief Dench; Deputy Chief Stephen Aiello



CITY OF GLOUCESTER FIRE DEPARTMENT
8 SCHOOL ST.
GLOUCESTER, MA 01930
978-281-9760



September 23, 2010

Carolyn Kirk, Mayor
City of Gloucester
9 Dale Ave.
Gloucester, MA. 01930

RECEIVED

SEP 28 2010

Mayor's Office

Mayor Kirk,

I am seeking Administration support and City Council approval of a City Ordinance enabling the Fire Department to bill for certain Fire Department responses. I have enclosed relevant background material and supporting documentation.

The Gloucester Fire Department is not alone in its difficulties fulfilling its mission due to a lack of funding. Fire Departments around the country are being faced with staffing shortages, malfunctioning equipment, and a lack of training due to the nationwide financial crisis. Municipalities are seeking new and innovative methods of increasing revenue to continue to provide effective and efficient services, without raising taxes.

Across the country, municipalities have begun billing for Fire Department responses. This process has enabled municipalities to maintain, and in some cases actually expand the level of service that their residents have come to expect.

The Commonwealth of Massachusetts mandates supplemental insurance coverage for Fire Department responses on all structure and vehicle insurance policies. Yet if the Fire Department does not bill the insurance company for its response, the funds set aside for that response go unexpended and become additional profits for the insurance company.

The process that I am proposing is quite simple. The Fire Department would enter into an agreement with a billing company for billing services. On Fire Department responses such as Motor Vehicle Accidents, Structure Fires, or Hazardous Materials Incidents, the Fire Department will collect the responsible party's



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insurance company information and forward it to the billing company. The billing company will bill the insurance company for our response. The Fire Department will have electronic access to an account set up by the billing company that will enable us to monitor bills that have been sent out, payments that have been received, etc. The billing company is paid either by retaining a portion of the revenue collected or by adding an administrative fee to the bill.

There is no out of pocket expense for the responsible party, as only the insurance company will receive a bill. There are no added costs, surcharges, or insurance premium increases for the responsible party because of the Fire Department's charge for its response.

The revenue collected would be set aside in a revolving account to be utilized by the Fire Chief as he/she sees fit. As you are well aware there is no shortage of needs in the department. The Chief and I have discussed several ideas including completing tasks that are related to the recent Management Audit of the Fire Department but have not been completed as of yet due to a lack of funding. One billing company conservatively estimated revenue at \$60,000 annually, but that was based on old data and with new reporting methods that revenue estimate should increase.

I have attached relevant information about the revenue recovery process. There are 2 municipalities on the North Shore, Wenham and Andover, that already utilize this revenue recovery process with great success. I hope you look favorably upon this request and as always I am available to answer any questions that may arise.

Respectfully,


Stephen Aiello, Deputy Chief
Gloucester Fire Department

cc. Jim Duggan
Suzanne Egan
Chief Dench

Dated: 2/14/11

Fire Department Cost Recovery Program

Section 8-26 Established

Due to increased cost of responding to emergencies and the fact that most insurance policies provide coverage for the payment of emergency services, the City authorizes the Fire Department to adopt a method to bill for the reasonable costs related to the use, loss, damage and wear and tear to the Fire Department apparatus tools, equipment and material necessary to provide fire services and 911 responses.

Section 8-27 Scope

Whenever the Fire Department provides fire operation services arising out of a motor vehicle crash, fire or a structure fire arising out of the negligent, reckless or malicious actions of owners or operators of motor vehicles or structures, the Fire Chief or designee shall send an invoice to the owner, occupant or other party for the cost incurred in performing fire operation services.

Section 8-28 Third Party Liability

In any case in which a person is liable for the costs, and such liability arises as a result of that person's actions within the scope of their employment, then any person or entity employing such person shall also be liable for such costs.

Section 8-29 Costs

A schedule of costs for services shall be adopted by the City. The schedule may be amended from time to time.

Section 8-30 Procedure for Recovering Costs

The Fire Chief or designee may create appropriate procedures to recover the costs. The department shall use applicable incident report information provided to the service provider as the basis for the charge and recovery of the costs for each incident to be billed. There shall be no procedure which allows for cost recovery directly from individuals.

Section 8-31. Collection of Fees

Any invoices created pursuant to this ordinance shall be paid within 30 days of receipt. If not paid, the City may pursue all collection remedies available.

Section 8-32 Liability Generally

The recovery of the charges imposed under this ordinance does not limit or establish the liability of a party under any other local ordinance, state or federal law, rule or regulation.

EXHIBIT A

MITIGATION RATES
BASED ON PER HOUR

rec'd 2/14/11
O&A
File Copy

MOTOR VEHICLE INCIDENTS

Level 1 - \$435.00

Provide hazardous materials assessment and scene stabilization. This will be the most common "billing level". This occurs almost every time the fire department responds to an accident/incident.

Level 2 - \$495.00

Includes Level 1 services as well as clean up and material used (sorbents) for hazardous fluid clean up and disposal. We will bill at this level if the fire department has to clean up any gasoline or other automotive fluids that are spilled as a result of the accident/incident.

Level 3 - CAR FIRE - \$605.00

Provide scene safety, fire suppression, breathing air, rescue tools, hand tools, hose, tip use, foam, structure protection, and clean up gasoline or other automotive fluids that are spilled as a result of the accident/incident.

Level 4 - \$1,800.00

Includes Level 1 & 2 services as well as extrication (heavy rescue tools, ropes, airbags, cribbing etc.). We will bill at this level if the fire department has to free/remove anyone from the vehicle(s) using any equipment. We will not bill at this level if the patient is simply unconscious and fire department is able to open the door to access the patient. This level is to be billed only if equipment is deployed.

Level 5 - \$2,200.00

Includes Levels 1, 2, & 4 services as well as Air Care (multi-engine company response, mutual aid, helicopter). We will bill at this level any time a helicopter is utilized to transport the patient(s).

Level 6

Itemized Response: You have the option to bill each incident as an independent event with custom mitigation rates, for each incident using, itemized rates

deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized per apparatus, per personnel, plus products and equipment used.

HAZMAT

Level 1 - \$700.00

Basic Response: Claim will include engine response, first responder assignment, perimeter establishment, evacuations, set-up and command.

Level 2 - \$2,500.00

Intermediate Response: Claim will include engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, set-up and command, Level A or B suit donning, breathing air and detection equipment. Set-up and removal of decon center.

Level 3 – \$5,900.00

Advanced Response: Claim will include engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, first responder set-up and command, Level A or B suit donning, breathing air and detection equipment and robot deployment. Set-up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene. Includes 3 hours of on scene time - **each additional hour @ \$300.00 per HAZMAT team.**

PIPELINE INCIDENTS / POWER LINE INCIDENTS

(Includes, but not limited to: Gas, Sewer, Septic to Sewer, and Water Pipelines)

Level 1 - \$400.00

Basic Response: Claim will include engine response and first responder assignment, perimeter establishment, evacuations, first responder set-up and command. Includes inspection without damage or breakage.

Level 2 - \$1,000.00

Intermediate Response: Claim will include engine response, first responder assignment, and appropriate equipment, perimeter establishment, evacuations, first responder set-up and command. May include HAZMAT team, Level A or B

Gloucester FD Revenue Estimate

Billing/Collection Summary – Data Estimated based on Population Size and Density

The following model is based on a fully engaged Emergency Response Billing (ERB), including fees for all motor vehicle accidents, HazMat incidents, and structure fires, set at hourly rates commensurate with your departmental costs. If your agency desires to customize this plan, we can re-cast the model to reflect the deviation from our recommended template.

Billing Volume

179 Total Billable Incidents

- 107 Motor Vehicle Crashes
 - 27 “Minor” Vehicle Crashes
 - 73 “Moderate” Vehicle Crashes
 - 7 “Major” Vehicle Crashes
- 10 Vehicle Fires
- 63 Structure Fires

Our MVA Incident model indicates that of all incidents responded to, 50% are non-billable due to reasons of minimal severity, missing owner information, unavailable liability data and other issues such as non-submission. We further segment these incidents by severity -- as severity increases so do the costs, and the potential to recover those costs. We have also broken down the model to reflect the fact that around 90% of the revenues recovered on vehicle crashes come from insurance payments.

Severity	Number of Incidents	Collection per Incident	Collections (Total)	Insurance Payments	Private Payments
Unbilled	107	0	0	0	0
“Minor”	27	221.33	5,895.00	5,174.00	719.00
“Moderate”	73	371.29	27,143.00	23,828.00	3,314.00
“Major”	7	1160.18	8,428.00	7,398.00	1,029.00
TOTAL	214	193.76	\$41,465.00	\$36,402.00	\$5,062.00

Potential Revenue

\$60,000 annually for the Revenue Rescue-Intermedix recommended template

Gross Collections	Vehicle Crashes	\$40,000
	Vehicle Fires	\$ 4,000
	Structure Fires	<u>\$16,000</u>
	TOTAL	\$60,000

- Projected collection rates would be almost \$200.00 per incident.
- The amounts reflect our estimates of gross collections and do not account for service fees.
- Depending on the percentage of incidents actually billed out, there may be some volatility in the potential totals. However, the amount collected per incident should remain fairly stable.

We appreciate the chance to discuss with you how our Emergency Response Billing (ERB) Funding Source can benefit your department. Answers to the questions below will provide us with an insight into your operations that will allow us to estimate revenue potential for you. We understand all of this information may not be available or applicable to you; however, we ask that you be as specific as possible. As always, this information will be kept in strict confidence within Intermedix Corporation.

If you have any questions don't hesitate to call Peter Haddad at 877-524-8182 ext 405.

Fire Department Total Calls

Type	Calendar 2007	Calendar 2008
Fire	4419	4414
EMS	2518	2758
Ambulance Transports	1955	2033

Motor Vehicle Incidents

Type	Calendar 2007	Calendar 2008
Collisions	190	238
Car Fires	11	15

Typical collision NFIRS codes: 322 Vehicle accident with injuries, 323 Motor vehicle accident with pedestrian, 324 Motor vehicle accident without injuries, 352 Extrication of victim(s) from vehicles, 463 Vehicle Accident, general cleanup

Typical Car Fire NFIRS codes: 122, 130, 131, 136, 137

Fires

Type	Calendar 2007	Calendar 2008
Structure Fires	79	86
Other non vehicle fires	138	102

Typical Structure Fire NFIRS codes: 110, 111, 112, 114,120, 121, 113

Typical 'OTHER' fire NFIRS codes: 100,115,116,117,118,132,133,134,135,140,141,142,143,150,151, 152,153,154,155,161,162,163,164,480,561,

Hazmat Incidents

Type	Calendar 2007	Calendar 2008
HazMat Incidents		

Typical HazMat NFIRS codes: 240,241,242,400,410,411, 412,413,420,421,422,423,424,430,431,471

Other Incidents and Fire Prevention Revenue

Type	NFIRS Code(s)	Calendar 2007	Calendar 2008
Medical assist (first responder)	311, 661	44	20
False Alarms	700 through 745	500	404
Fire Investigations			
Fire Inspections			

Are you currently billing for any calls including hazardous materials incidents, arsons, DUI crashes, extrications, etc? NO ___ YES_X__ (please elaborate)_Transporting Ambulance Service _____

What fire reporting software and version do you use (i.e., Firehouse, Fire Programs, Zoll FireRMS, other)?
_Firehouse _____

Please list any other information we might find relevant, i.e, how many permits are issued, are there any subscription programs, and if so how many members, etc. _____

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