

# City Council Report

**Date:** August 18, 2014  
**To:** City Council Members  
**Through:** John Pombier, Deputy City Manager  
**From:** Harry Beck, Fire Chief  
Mary Cameli, Assistant Fire Chief  
**Subject:** Approve Ordinance for cost recovery (Citywide)

## Strategic Initiatives



## Purpose and Recommendation

The purpose of this report is to request approval for the attached ordinance to allow Mesa Fire and Medical Department to bill for services for the care provided by the Department.

## Background

For approximately two years Mesa Fire and Medical Department (MFMD) has been operating two innovative programs in partnership with local agencies to enhance service delivery.

The first program has been a partnership with Mountain Vista Medical Center (MVMC). MVMC has provided a nurse practitioner to team up with a MFMD Captain Paramedic to respond on low acuity calls. These low level emergencies are evaluated by the two person crew utilizing the nurse practitioners capabilities to treat on-scene and refer to a primary care provider in lieu of being transported to an emergency room (ER).

The second program is the behavioral health unit which is a partnership with Crisis Preparation & Recovery (CPR) Behavioral Health. This unit responds on behavioral incidents where the crisis counselor completes a patient assessment and determines if the patient needs to be admitted to a behavioral facility. This unit has the ability to transport the patient directly to a facility that can address the behavioral issues. Without the behavioral unit, the patient would be transported to an ER which could be a 2-3 day stay while waiting for a crisis counselor assessment and placement in a behavioral facility.

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In addition to these two innovative programs currently in operation, the department continues to look at ways to provide more efficient and effective patient care by working with the hospitals to determine ways to better care for patients who utilize the 911 system on a regular basis. This would include patients with healthcare issues or patients discharged from the hospital after surgery. Both of these scenarios generate a high volume of 911 calls. In working with the hospitals the goal is to reduce the number of times these patients re-enter the emergency room by providing follow-up care once discharged from the hospital.

These programs fall into the overall objectives of the federal government's Affordable Care Act (ACA). One of the main goals of the ACA is to reduce the overall cost of health care in the United States. The Affordable Care Act is basically described as healthcare providers working together to coordinate patient care, higher quality care and lower costs. The Accountable Care Organization (ACO) incentivizes insurers, hospitals, physicians and other health-care providers to work more collaboratively to ensure a higher quality of care at a reduced cost. These organizations have agreed to participate in a Medicare Shared Savings ACO and to work closely with other healthcare providers to coordinate patient care. The ACO may share in any savings that result from providing the patient with high quality and more coordinated care.

## **Discussion**

Both of the innovative programs have saved thousands of dollars in the healthcare system over the past two years and more importantly have provided a higher level of care for the patients by avoiding unnecessary steps. MFMD is requesting approval of the attached ordinance to allow the department the ability to charge for the services provided. In order to bill, it is required to have statutory authority from Council via ordinance.

Having the ability to bill for the services provided will enable the City to recover costs to help assure the continuation of these programs at no additional cost to the citizens of Mesa. These services are much more cost effective as compared to the standard method of transporting these patients to emergency rooms and potentially have the ability to save millions of dollars in the healthcare system over time.

## **Alternatives**

The alternative is to continue incurring the cost to operate these innovative and cost effective programs from the current budget.

## **Fiscal Impact**

Having this ordinance will allow MFMD to bill for the services provided and will give the city the ability to recover costs to partially, if not fully, fund the programs.