SUBJECT: Cross Border Billing for Land Ambulance Fees (HES08003) (City Wide)

RECOMMENDATION:

(a) That the Regional and Single Tier Treasurers’ recommended table for generic ambulance fees (attached as Appendix “A” to Report HES08003) be endorsed.

(b) That staff be directed to utilize the Regional and Single Tier Treasurers’ recommended table for generic ambulance fees (attached as Appendix A to Report HES08003), as the reference source when calculating costs to resolve the land ambulance cross border billing files for the period of January 1, 2001 to December 31, 2008.

(c) That the Mayor and Clerk be authorized and directed to execute Mutual Release Agreements for Payment of Funds (attached as Appendix “B” to Report HES08003), as required.

(d) That the Mayor and Clerk be authorized and directed to execute the Mutual Release Agreements for Receipt of Funds (attached as Appendix “C” to Report HES08003), as required.
EXECUTIVE SUMMARY:

Pursuant to the Provincial mandate, which required municipalities to assume land ambulance services, Hamilton Emergency Services – Emergency Medical Services (HES/EMS) has accumulated outstanding cross border billing liabilities, from circumstances where EMS have shared ambulance resources between municipalities to meet the community needs, from August 1, 2000 to present.

The Regional and Single Tier Treasurers (RT) group has agreed on a standard process and fees to resolve the liabilities/receivables beginning in January 1, 2001 (as that is the first full year for all municipalities. Therefore, staff is recommending that the City of Hamilton enter into both the Mutual Release Agreement for Payment of Funds (by the City of Hamilton) and the Mutual Release Agreement for Receipt of Funds (by the City of Hamilton), with other Ontario municipalities, in order to resolve the City of Hamilton files for the period of January 1, 2001 to December 31, 2008.

It is anticipated that there could be a positive variance of the accrual that is over $500,000 when the negotiations are complete. This excess accrual will be reversed to EMS Operations when the books are closed in 2007.

BACKGROUND:

During the transition of land ambulance services from the province to upper tier municipalities, the province established five (5) fundamental principles the ambulance service should follow, one being seamlessness. The principle of seamlessness\(^1\) is described as:

- The closest ambulance will respond, at any time, in any jurisdiction, regardless of the political, administrative or other boundaries.
- The Central Ambulance Communication Centre ensures the appropriate ambulance resources are dispatched to major incidents (disasters), while continuing to ensure local ambulance needs are met.
- Ambulance services must always be readily available regardless of location or timing.

As per Section 6.(3) of the Ambulance Act…”If an ambulance is dispatched from an ambulance service situated in an upper-tier municipality or in a local municipality to an area situated in another upper-tier municipality or local municipality, the affected upper-tier and local municipalities may enter into an agreement with respect to the costs associated with the provision of land ambulance services in both municipalities.” In the event that no agreement is reached, the province implemented a default costing formula in Section 16 of O.Reg. 129/99 (as amended) entitled Costs Associated with the Provision of Land Ambulance Services.

\(^1\) Land Ambulance Transition Practical Guide, Developed by the Ontario Ministry of Health and Long-Term Care in consultation with the MOH-AMO Land Ambulance Implementation Steering Committee, August 1999.
However, the default provision is problematic as the determination of “total cost for the provision of land ambulance services” is vague and differs from one municipality to the next. Also, it has been determined that the provincial data specific to ambulance calls has an unknown percentage of error.

The principles and process suggested by the RSTT for assigning a fixed unit cost for 2006 and beyond is based on provincial assumption of repatriating patients to their municipality of origin and inter-facility transfer costs. Although the RSTT recommendations are not binding to the City of Hamilton, they do seem reasonable. Therefore, staff is recommending that the principles be extended into 2007 and 2008 void any change in the cross border billing regulation.

If approved, the City of Hamilton will enter into the Mutual Release Agreement for Payment of Funds (attached as Appendix “B” to Report HES08003) and the Mutual Release Agreement for Receipt of Funds (attached as Appendix “C” to Report HES08003), when required, with each of the participating municipalities. Based on preliminary calculations, it is anticipated that the accrual should illustrate a positive variance (see Appendix “A” to Report HES08003).

The Regional and Single Tier Treasurers (RSTT) group has agreed on a standard process and fees to resolve the liabilities/receivables beginning in January 1, 2001 (as that is the first full year for all municipalities). The Director of EMS/Deputy will be working with his counterparts in the other thirty-six (36) Ontario municipalities to resolve all the City of Hamilton’s (City) files for the period of January 1, 2001 to December 31, 2008. Of the thirty-six (36) municipalities there are eight (8) with individual liabilities/receivables for amounts in excess of $15,000 each – the highest being over $300,000. Staff intends to meet with these eight (8) municipalities to confirm and finalize amounts. The balances for the other twenty-eight (28) municipalities are relatively small, ranging from $100 to $2,500 and can be dealt with by correspondence.

Since 2001, the City has recorded a liability of $232,000 per year in anticipation of paying other municipalities for their “cross border” services. Now that the RSTT has agreed on process and fees, staff has been able to calculate the City’s net liability and it is estimated that at the end of 2007 the recorded liability will be approximately $725,000 more than will be required to settle with all 36 municipalities. This excess accrual will be reversed to EMS Operations when the books are closed in 2007.

In report FCS07100 “Tax and Rate Operating Budget Variance Report to August 31, 2007“, EMS was projecting a deficit of $801,000. The reversal of the $725,000 over accrual for Cross Border Billing will significantly reduce the projected 2007 deficit for EMS.

**ANALYSIS/RATIONALE:**

Entering into such agreements will allow the City Of Hamilton to conclusively close the file on these matters and balance the associated finances in this area.
ALTERNATIVES FOR CONSIDERATION:

As the City is mandated by the Province to assume these responsibilities, there is no alternative.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial Implications:

Since 2001, the City has recorded a liability of $232,000 per year in anticipation of paying other municipalities for their “cross border” services. Now that the RSTT has agreed on process and fees, staff has been able to calculate the City’s net liability and it is estimated that at the end of 2007 the recorded liability will be approximately $725,000 more than will be required to settle with all 36 municipalities. This excess accrual will be reversed to EMS Operations when the books are closed in 2007. Therefore, there will be no negative impact on the HES/EMS budget.

Staffing Implications:

None.

Legal Implications:

Legal services will be consulted for any municipality that seeks materially different language in the generic agreements (attached as Appendices “B” and “C” to Report HES08003).

POLICIES AFFECTING PROPOSAL:

None.

RELEVANT CONSULTATION:

City Manager’s Office
Legal Services Division
Financial Services Division

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.
Community Well-Being is enhanced. ☑ Yes □ No
Public services and programs are delivered in an equitable manner, coordinated, efficient, effective and easily accessible to all citizens. Resolving the cross border billing liabilities stabilizes the financial liabilities for EMS and builds a platform for long term resolution of this activity with other municipalities.

Environmental Well-Being is enhanced. ☑ Yes □ No
Human health and safety are protected by drawing upon the closes emergency medical resource without discriminating with municipal boundaries, and by using the closest vehicle to complete a call less energy is consumed in completing the work.

Economic Well-Being is enhanced. ☑ Yes □ No
Cross border billing is an arrangement that fosters the most efficient use of municipal resources across boundaries and provides a means for equitable rationalization of sharing resources and responsible use of tax dollars.

Does the option you are recommending create value across all three bottom lines?
☐ Yes □ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes □ No

The creation of a respectful, desirable and supportive workplace. This program allows the management team to re-focus on the immediate needs of the service vs. being in conflict with their peers trying to create their own independent solutions void of standardization direction on this matter.
Emergency Medical Services Cross Border Billing  
2001- 2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate per Call</th>
<th>Pickups by External Agency</th>
<th>Amount</th>
<th>Hamilton External Pickups</th>
<th>Amount</th>
<th>Net Cost to Hamilton</th>
<th>Accrual</th>
<th>Variance</th>
</tr>
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<tr>
<td>2001</td>
<td>129</td>
<td>1,841</td>
<td>237,489</td>
<td>1,168</td>
<td>150,672</td>
<td>86,817</td>
<td>232,000</td>
<td>(145,183)</td>
</tr>
<tr>
<td>2002</td>
<td>137</td>
<td>1,372</td>
<td>187,964</td>
<td>859</td>
<td>117,683</td>
<td>70,281</td>
<td>232,000</td>
<td>(161,719)</td>
</tr>
<tr>
<td>2003</td>
<td>142</td>
<td>1,414</td>
<td>200,788</td>
<td>716</td>
<td>101,672</td>
<td>99,116</td>
<td>232,000</td>
<td>(132,884)</td>
</tr>
<tr>
<td>2004</td>
<td>154</td>
<td>1,307</td>
<td>201,278</td>
<td>603</td>
<td>92,862</td>
<td>108,416</td>
<td>232,000</td>
<td>(123,584)</td>
</tr>
<tr>
<td>2005</td>
<td>164</td>
<td>1,460</td>
<td>239,440</td>
<td>559</td>
<td>91,676</td>
<td>147,764</td>
<td>232,000</td>
<td>(84,236)</td>
</tr>
<tr>
<td>2006</td>
<td>175</td>
<td>1,461</td>
<td>255,675</td>
<td>581</td>
<td>101,675</td>
<td>154,000</td>
<td>232,000</td>
<td>(78,000)</td>
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<tr>
<td>Total</td>
<td></td>
<td>1,322,634</td>
<td></td>
<td></td>
<td>656,240</td>
<td>666,394</td>
<td>1,392,000</td>
<td>(725,606)</td>
</tr>
</tbody>
</table>
MUTUAL RELEASE AGREEMENT
FOR PAYMENT OF FUNDS

WHEREAS The Corporation of the City of Hamilton is responsible for payment for all ambulance calls within the geographic boundaries of the City of Hamilton (the City) in the Province of Ontario;

AND WHEREAS The Corporation of the County of XXXX ("XXXX") is responsible for payment for all ambulance calls within the geographic boundaries of the County of XXXX in the Province of Ontario;

AND WHEREAS, in the interests of public health and welfare, the City responds to ambulance calls within the geographic boundaries of the County of XXXX, and, XXXX responds to ambulance calls within the geographic boundaries of the City (the "Ambulance Calls") for the purposes of providing prompt response times;

AND WHEREAS in the fiscal years commencing January 1, 2001 and ending on December 31, 2008 inclusive (the "Applicable Fiscal Period"), XXXX made more Ambulance Calls within the geographic boundaries of the City than the Ambulance Calls that City made within the geographic boundaries of the County of XXXX, the particulars of which are annexed hereto as Schedule "A";

AND WHEREAS the City has agreed to remit to XXXX, a one-time payment in the amount of $XXXXXX.XX, to compensate XXXX for the net Ambulance Calls during the Applicable Fiscal Period (the "Net Ambulance Calls"), the breakdown of which is annexed hereto as Schedule "A" (the "Ambulance Call Payment");

AND WHEREAS XXXX and the City have agreed to execute this document for the purpose of confirming that the Ambulance Call Payment represents a full and final resolution for all amounts owing for the Net Ambulance Calls that were made during the Applicable Fiscal Period;

IN WITNESS WHEREOF XXXX on the one hand and City on the other hand for themselves and on behalf of their successors and assigns in consideration of the Ambulance Call Payment and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby irrevocably release, remise and forever discharge each other from and against any and all manner actions, costs, liabilities, causes of actions, costs, suits, proceedings, covenants, contracts, claims, damages and demands whatsoever which each ever had, now has, can or shall, or may hereafter have against the other in connection with the costs for all Ambulance Calls during the Applicable Fiscal Period.

AND for the said consideration, the parties further agree not to make any claim or take any proceedings in connection with any claims released herein against any other person or corporation who might claim contribution or indemnity or declaratory relief from the parties discharged by this Release.

IT IS UNDERSTOOD AND AGREED that the mutual release herein shall relate
only to each party’s costs for the Ambulance Calls. In the event a claim is made by a third party in connection with the Ambulance Calls, this mutual release shall not serve to preclude either party from seeking relief from the other in connection with such third party claims.

IT IS ACKNOWLEDGED AND AGREED that the Province of Ontario may implement legislation that could impact the required payments for Ambulance Calls for the Applicable Fiscal Period. In the event that the Province of Ontario passes legislation that has the effect of amending the Ambulance Call Payment for the Applicable Fiscal Period, the City and XXXX hereby acknowledge that the Ambulance Call Payment in the amount of $XXXXX for the Applicable Fiscal Period shall be returned to the City and such legislation shall govern any payment required from the City to XXXX for the Net Ambulance Calls for the Applicable Fiscal Period. In such event, this Mutual Release shall be null and void and the parties shall comply with the said legislation. Upon completing any payment required by the said legislation, XXXX and the City shall execute a Mutual Release in a form satisfactory to their respective solicitors.

IT IS FURTHER UNDERSTOOD AND AGREED that unless otherwise agreed by the parties, any method of calculation to determine the Ambulance Call Payment shall not necessarily be the criteria upon which payments for Ambulance Calls will be determined for periods other than the Applicable Fiscal Period.

IT IS FURTHER AGREED that all parties will execute such further and other documents and assurances as may be reasonably required in order to give effect to this agreement.

THIS MUTUAL RELEASE shall enure to the benefit of the parties hereto, their successors and assigns, and shall be binding upon the undersigned.

IN WITNESS WHEREOF, the parties hereto have executed this Mutual Release as of the __________ day of _____________________, 200__.

THE CORPORATION OF THE CITY OF HAMILTON

________________________________________
MAYOR

________________________________________
CITY CLERK
THE CORPORATION OF THE XXXXXXXXXXXXXX

_________________________________________
MAYOR

_________________________________________
CITY CLERK
## MUTUAL RELEASE AGREEMENT
FOR PAYMENT OF FUNDS BY THE CITY OF HAMILTON

### SCHEDULE “A”

City of Hamilton and the County XXXXXXXXXXX

<table>
<thead>
<tr>
<th>Year</th>
<th>XXX Calls in the City</th>
<th>City Calls in xx</th>
<th>Net Calls</th>
<th>Cost Per Call</th>
<th>Amount Owing</th>
</tr>
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<tbody>
<tr>
<td>2001</td>
<td></td>
<td></td>
<td></td>
<td>$158.31</td>
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<tr>
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<td>Sub-Total</td>
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</tbody>
</table>
MUTUAL RELEASE AGREEMENT
FOR RECEIPT OF FUNDS

WHEREAS the City of Hamilton (the “City”) is responsible for payment for all ambulance calls within the geographic boundaries of the City of Hamilton in the Province of Ontario;

AND WHEREAS The Corporation of the County of XXXX (“XXXX”) is responsible for payment for all ambulance calls within the geographic boundaries of the County of XXXX in the Province of Ontario;

AND WHEREAS, in the interests of public health and welfare, the City responds to ambulance calls within the geographic boundaries of the County of XXXX, and, XXXX responds to ambulance calls within the geographic boundaries of the City of Hamilton (the “Ambulance Calls”) for the purposes of providing prompt response times;

AND WHEREAS in the fiscal years commencing January 1, 2001 and ending on December 31, 2008 inclusive (the “Applicable Fiscal Period”), XXXX made more Ambulance Calls within the geographic boundaries of the City of Hamilton than the Ambulance Calls that City made within the geographic boundaries of the County of XXXX, the particulars of which are annexed hereto as Schedule “A”;

AND WHEREAS XXXX has agreed to remit to the City a one-time payment in the amount of _____________________________ DOLLARS ($_________.____) to compensate the City for the net Ambulance Calls during the Applicable Fiscal Period (the “Net Ambulance Calls”), the breakdown of which is annexed hereto as Schedule “A” (the “Ambulance Call Payment”);

AND WHEREAS XXXX and the City have agreed to execute this document for the purpose of confirming that the Ambulance Call Payment represents a full and final resolution for all amounts owing for the Net Ambulance Calls that were made during the Applicable Fiscal Period;

IN WITNESS WHEREOF XXXX on the one hand and the City on the other hand for themselves and on behalf of their successors and assigns in consideration of the Ambulance Call Payment and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby irrevocably release, remise and forever discharge each other from and against any and all manner of actions, costs, liabilities, causes of actions, costs, suits, proceedings, covenants, contracts, claims, damages and demands whatsoever which each ever had, now has, can or shall, or may hereafter have against the other in connection with the costs for all Ambulance Calls during the Applicable Fiscal Period.

AND for the said consideration, the parties further agree not to make any claim or take any proceedings in connection with any claims released herein against any other person or corporation who might claim contribution or indemnity or declaratory relief from the parties discharged by this Mutual Release.
IT IS UNDERSTOOD AND AGREED that the mutual release herein shall relate only to each party’s costs for the Ambulance Calls. In the event a claim is made by a third party in connection with the Ambulance Calls, this mutual release shall not serve to preclude either party from seeking relief from the other in connection with such third party claims.

IT IS ACKNOWLEDGED AND AGREED that the Province of Ontario may implement legislation that could impact the required payments for Ambulance Calls for the Applicable Fiscal Period. In the event that the Province of Ontario passes legislation that has the effect of amending the Ambulance Call Payment for the Applicable Fiscal Period, the City and XXXX hereby acknowledge that the Ambulance Call Payment in the amount of ____________________ DOLLARS ($_________.____) for the Applicable Fiscal Period shall be returned to XXXX and such legislation shall govern any payment required from XXXX to the City for the Net Ambulance Calls for the Applicable Fiscal Period. In such event, this Mutual Release shall be null and void and the parties shall comply with the said legislation. Upon completing any payment required by the said legislation, XXXX and the City shall execute a Mutual Release in a form satisfactory to their respective solicitors.

IT IS FURTHER UNDERSTOOD AND AGREED that unless otherwise agreed by the parties, any method of calculation to determine the Ambulance Call Payment shall not necessarily be the criteria upon which payments for Ambulance Calls will be determined for periods other than the Applicable Fiscal Period.

IT IS FURTHER AGREED that all parties will execute such further and other documents and assurances as may be reasonably required in order to give effect to this agreement.

THIS MUTUAL RELEASE shall enure to the benefit of the parties hereto, their successors and assigns, and shall be binding upon the undersigned.

IN WITNESS WHEREOF, the parties hereto have executed this Mutual Release as of the __________ day of ____________________, 200__.

THE CORPORATION OF THE CITY OF HAMILTON

________________________________________
MAYOR

________________________________________
CITY CLERK
THE CORPORATION OF THE XXXXXXXXXXXXXXX

______________________________

MAYOR

______________________________

CITY CLERK
MUTUAL RELEASE AGREEMENT
FOR RECEIPT OF FUNDS

SCHEDULE “A”

City of Hamilton and County of XXXX

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<tr>
<th>Year</th>
<th>XXX Calls in CoH</th>
<th>CoH Calls in xx</th>
<th>Net Calls</th>
<th>Cost Per Call</th>
<th>Amount Owing</th>
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Sub-Total