



Report To:	Program Planning Committee
From:	Michael Maclsaac Chief of Paramedic Services
Date:	April 27, 2016
Re:	Ambulance Cross Border Billing

Recommendation

That the Board accept this report on the current state of Ambulance cross border billing amongst our Northern Ontario neighbours and direct staff to action the recommendations contained herein.

Purpose

The purpose of this report is to provide information on the issue of cross border billing that has an effect financially on different Direct Delivery Agents (DDA's). Paramedic Services staff are seeking a change in direction on the issue; one that recognizes a fair and balanced approach to the delivery of land ambulance services and displays a willingness to eliminate the swings in financial disparity amongst our neighbours.

Background

One of the main principles upon which the Land Ambulance system in Ontario has been legislatively developed, is the concept of seamless delivery of service by the closest available Paramedic Services unit to emergency calls regardless of municipal geographical boundaries. As a result, there are occasions where responses are provided in a municipality by a Paramedic Service funded by another municipality. Typically, these responses occur in border areas or in areas where Municipality A's Paramedic Services Station is inherently closer to Municipality B's community (e.g. Town of Spanish, Henvey Inlet, etc.). It can also include circumstances where local Paramedic Services resources become overwhelmed due to sudden increases in call demand or a multi-casualty incident requiring additional assistance.

Prior to ambulance services being downloaded, the issue of cross-border billing did not exist. There were costs associated with each individual ambulance service and each service was separately funded 100% through an operating contract by the Ministry of Health & Long Term Care (MOHLTC). There were no issues with the seamless coverage approach as the province was the full funder of the entire Land Ambulance program. With the migration of Paramedic Services delivery to single and upper-tier municipalities in the year 2000, a shared funding arrangement with the Province was agreed upon. With that

in mind there has been recognition in legislation that an expense to Municipalities exists when being a provider of cross border services.

Prior to 2008, *Ontario Regulation 129/99 - Costs Associated with the Provision of Land Ambulance Services* contained a default formula for the calculation of cross border costs. These calculations were based on a municipality's "cost per call" formulation which could vary significantly between municipal jurisdictions. Furthermore, there was not a clear set of criteria that defined what costs could be included in determining a municipality's cost per call (e.g. Reserve transfers). Part IV Section 16 of the regulation stated:

(6) *A recipient municipality who is charged an amount under this section shall pay the amount to the provider municipality on demand. O. Reg. 256/00, s. 4.*

(7) *If the recipient municipality fails to pay the amount due at the time required by the provider municipality, the provider municipality may charge interest on the amount due at a rate to be set by the provider municipality and the recipient municipality shall pay the interest. O. Reg. 256/00, s. 4.*

(8) *The provider municipality shall give the recipient municipality prior written notice of the day on which interest begins to accrue and of the interest rate. O. Reg. 256/00, s. 4.*

Based on a recommendation from the Association of Municipalities of Ontario (AMO) Memorandum of Understanding (MOU) Table with the MOHLTC, not only were the default formula provisions rescinded but the entirety of *Ontario Regulation 129/99 Part IV Charges as Between Delivery Agents and Upper Tier Municipalities* was also rescinded in 2008.

Current Issues

With the change in legislation in 2008, the *Ambulance Act* specifically now allows municipalities to enter into agreements with respect to the costs associated with the provision of cross border services. Current *Ambulance Act Part III Responsibilities of Upper-Tier Municipalities* states:

6.(3) 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. 1997, c. 30, Sched. A, s. 6.

As a result of this change, the determination of costs for cross border service relies on the process of negotiation and mutual agreement between municipalities.

Prior to 2008 cross border billing was a very contentious issue for this organization. Manitoulin-Sudbury DSB initiated legal proceedings against all neighbours where a cross border agreement was not present with settlements occurring between 2007 and 2009. Substantial settlement payments were made and contacts were signed with neighbours which at present have all expired. With their expiration comes the time to re-evaluate the cross border billing mechanism. In the past we have had 2 long term differing agreements

that resulted in net gains for our organization; Greater Sudbury and Parry Sound. Parry Sound's agreement ended in 2015 and called for them to pay us \$14,000 per year.

The City of Greater Sudbury's agreement was far more involved. As part of the settlement agreement the City paid a sum of \$605,196 to settle outstanding claims relating to cross border calls from 2001 to 2007. Summary features of the actual agreement include:

- Signed in 2008 with a term of 8 years ending on December 31, 2015.
- An agreed upon cost per call calculation that takes into account the difference in costs between the two services.
- Cost calculations involve each service taking its cost per call and multiplying it by the number of calls performed in the others area. The 2 costs are then subtracted with a resulting amount owing from one party to the other.
- A positive agreement for Manitoulin-Sudbury DSB. Item #5 states that, "Greater Sudbury shall not issue any invoice to the Board for cross border calls as a result of the Board entering into this agreement and becoming a net payer to Greater Sudbury. In other words, if Manitoulin-Sudbury DSB ended up owing Greater Sudbury, that amount owed would be waived. However, if the reverse were true, there was no mechanism for Manitoulin-Sudbury DSB to not invoice in a reciprocal fashion.

Due to a series of delays, 2013/14 calculations have been compiled and have revealed a net gain for Manitoulin-Sudbury DSB in a yet to be collected amount of \$50,980. Prior to 2013 there were very few times where a payment was made. The City of Greater Sudbury has engaged the DSB in discussions to eliminate the outstanding amount. There are a few factors to look at regarding this request however the main reason for the recent increase in costs would point to the change in our Deployment Plan. In 2013 there was an elimination of mandatory Code 8 standbys when a station went out on a call. Making up nearly half of our call volume, the elimination of code 8's drastically inflated our cost per call, which according to the calculation has had a great effect on the agreement. To be fair there was a clause in the agreement detailing that discussions would occur when deployment changes would effect this agreement. Those discussions did not happen at the time of deployment change.

Moving Forward

Understanding that we are currently without agreements with any of our neighbours, and due to the fact that the 2008 change in legislation effectively allows each DDA the ability to freely enter into an agreement with a neighbour in relation to cross border billing, going forward we wish to seek cost neutral arrangements with all our neighbours.

A review of 2015 data, using preliminary MOHLTC ADRS data suggests that if agreements were in place with all neighbours, without a historically legislated individualized cost per call, Manitoulin-Sudbury DSB would slightly end up in a negative financial position.

The following table details the aforementioned data.

Responding Upper Tier (copy) (group)	Pick Up Area									Grand Total
	Null	Algoma	Cochrane	Greater Sudbury	Manitouli..	Nipissing	Parry Sound	SSM	Temiska..	
Cochrane					13					13
Nipissing					4					4
Parry Sound					3					3
Greater Sudbury					282					282
Manitoulin-Sudbury	2	92	17	61		66	30	1	2	271
Algoma					8					8

Sum of Number of Records broken down by Pick Up Area vs. Responding Upper Tier (copy) (group). The data is filtered on Dispatched Priority and Pickup Institution Id. The Dispatched Priority filter keeps 3 and 4. The Pickup Institution Id filter excludes 2121, 2123, 2173, 2174 and 4060. The view is filtered on Exclusions (Pick Up Area, Responding Upper Tier (copy) (group)), which keeps 14 members.

Conclusion

There was a time historically where cross border billing had a place in Land Ambulance services in Northern Ontario. Prior to the 2008 change in legislation it could be surmised that Municipalities were compelled to enter into agreements by wording in the legislation suggesting that the payers shall pay and that the service invoicing could charge interest to those who do not pay. With the legislation now stating that parties may enter into agreements in regards to cross border billing, the stance of the MOHLTC, through consultations with AMO, seems to have softened.

There are 2 approaches to effectively handling this situation at the current time; cost neutral agreements with all neighbours, or the absence of any agreement altogether. Entering into perpetual cost neutral inter-municipal agreements, containing renegotiation clauses, would solidify responsibilities amongst neighbouring municipalities much in the same way that some mutual aid agreements work amongst municipal fire departments. Since the 2008 change in legislation there clearly is no obligation to enter into agreements of any kind regarding cross border billing. With an approach requiring no exchange of money, agreements aren't really necessary. With the approval of this report by the Board, both of these approaches will be part of a discussion with the NOSDA CAO's.

Lastly, in relation to discussions with the City of Greater Sudbury on the outstanding amount owed, taking into account the changes to our Deployment Plan as well as the change in legislation, we would look to agree that the amount will be forgiven and there will be no outstanding amount owed for 2015.

Going forward with this approach to cross border billing will help to foster continued harmonious relationships amongst municipal neighbours while still allowing the opportunity to revisit the topic should one area become overburdened by emergency medical responses into another municipality.