

SHB 1635 - H AMD 252

By Representative Simpson

ADOPTED 03/11/2005

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that ambulance and
4 emergency medical services are essential services and the availability
5 of these services is vital to preserving and promoting the health,
6 safety, and welfare of people in local communities throughout the
7 state. All persons, businesses, and industries benefit from the
8 availability of ambulance and emergency medical services, and survival
9 rates can be increased when these services are available, adequately
10 funded, and appropriately regulated. It is the legislature's intent to
11 explicitly recognize local jurisdictions' ability and authority to
12 collect utility service charges to fund ambulance and emergency medical
13 service systems that are based, at least in some part, upon a charge
14 for the availability of these services.

15 **Sec. 2.** RCW 35.21.766 and 2004 c 129 s 34 are each amended to read
16 as follows:

17 (1) Whenever a regional fire protection service authority (~~(or the~~
18 ~~legislative authority of any city or town)~~) determines that the fire
19 protection jurisdictions that are members of the authority (~~(or the~~
20 ~~city or town or a substantial portion of the city or town is)~~) are not
21 adequately served by existing private ambulance service, the governing
22 board of the authority may by resolution(~~(, or the legislative~~
23 ~~authority of the city or town may by appropriate legislation,)~~) provide
24 for the establishment of a system of ambulance service to be operated
25 by the authority as a public utility (~~(of the city or town, or)~~)
26 operated by contract after a call for bids.

27 (2) The legislative authority of any city or town may establish an
28 ambulance service to be operated as a public utility. However, the
29 legislative authority of the city or town shall not provide for the

1 establishment of an ambulance service utility that would compete with
2 any existing private ambulance service, unless the legislative
3 authority of the city or town determines that the city or town, or a
4 substantial portion of the city or town, is not adequately served by an
5 existing private ambulance service. In determining the adequacy of an
6 existing private ambulance service, the legislative authority of the
7 city or town shall take into consideration objective generally accepted
8 medical standards and reasonable levels of service which shall be
9 published by the city or town legislative authority. When it is
10 preliminarily concluded that the private ambulance service is
11 inadequate, before issuing a call for bids or before the city or town
12 establishes an ambulance service utility, the legislative authority of
13 the city or town shall allow a minimum of sixty days for the private
14 ambulance service to meet the generally accepted medical standards and
15 reasonable levels of service.

16 (3) The city or town legislative authority is authorized to set and
17 collect rates and charges in an amount sufficient to regulate, operate,
18 and maintain an ambulance utility. Prior to setting such rates and
19 charges, the legislative authority must determine, through a cost-of-
20 service study, the total cost necessary to regulate, operate, and
21 maintain the ambulance utility. Total costs shall not include capital
22 cost for the construction, major renovation, or major repair of the
23 physical plant. For purposes of establishing and setting rates and
24 charges under this section, costs shall be reduced by any revenues
25 collected and described in subsection (5)(a) through (c) of this
26 section. Once the legislative authority determines the total costs,
27 the legislative authority shall then identify that portion of the total
28 costs that are attributable to the availability of the ambulance
29 service and that portion of the total costs that are attributable to
30 the demand placed on the ambulance utility.

31 (a) Availability costs are those costs attributable to the basic
32 infrastructure needed to respond to a single call for service within
33 the utility's response criteria. Availability costs may include costs
34 for dispatch, labor, training of personnel, equipment, patient care
35 supplies, and maintenance of equipment.

36 (b) Demand costs are those costs that are attributable to the
37 burden placed on the ambulance service by individual calls for
38 ambulance service. Demand costs shall include costs related to

1 frequency of calls, distances from hospitals, and other factors
2 identified in the cost-of-service study conducted to assess burdens
3 imposed on the ambulance utility.

4 (c) Beginning on the effective date of this act, the rate
5 attributable to costs for availability described under (a) of this
6 subsection shall be uniformly applied across user classifications
7 within the utility.

8 (d) Beginning on the effective date of this act, the rate
9 attributable to costs for demand, described under (b) of this
10 subsection, shall be established and billed to each utility user
11 classification based on each user classification's burden on the
12 ambulance utility.

13 (e) The fee charged by the utility shall reflect a combination of
14 the availability cost and the demand cost.

15 (4) The combined rates charged shall reflect an exemption for
16 persons who are medicaid eligible and reside in a nursing facility,
17 boarding home, or adult family home, and shall reflect an exemption or
18 reduction for designated classes consistent with Article VIII, section
19 7 of the state Constitution. The amounts of exemption or reduction
20 shall be a general expense of the utility, and designated as an
21 availability cost, to be spread uniformly across the utility user
22 classifications.

23 (5) In each city or town operating an ambulance utility pursuant to
24 this section:

25 (a) The legislative authority must continue to allocate at least
26 ninety percent of the total amount of general fund revenues expended,
27 as of May 6, 2004, toward the total costs necessary to regulate,
28 operate, and maintain the ambulance utility.

29 However, cities or towns that operated an ambulance service as a
30 public utility as of May 6, 2004, and commingled general fund dollars
31 and ambulance service utility dollars, may reasonably estimate that
32 portion of general fund dollars that were, as of that date, applied
33 toward the operation of the ambulance service utility, and at least
34 ninety percent of such estimated amount must then continue to be
35 applied toward the total cost necessary to regulate, operate, and
36 maintain the ambulance utility.

37 (b) The legislative authority must allocate available emergency

1 medical service levy funds towards the total costs necessary to
2 regulate, operate, and maintain the ambulance utility.

3 (c) The legislative authority must allocate all revenues received
4 through direct billing to the individual user of the ambulance service
5 to the demand-related costs under subsection (3)(b) of this section.

6 (d) The total revenue generated by the rates and charges shall not
7 exceed the total costs necessary to regulate, operate, and maintain an
8 ambulance utility.

9 (e) Revenues generated by the rates and charges must be deposited
10 in a separate fund or funds and be used only for the purpose of paying
11 for the cost of regulating, maintaining, and operating the ambulance
12 utility.

13 (6) Ambulance service rates charged pursuant to this section do not
14 constitute taxes or charges under RCW 82.02.050 through 82.02.090, or
15 RCW 35.21.768, or charges otherwise prohibited by law."

16 Correct the title.

EFFECT: The following changes are made:

(1) Requires that generally accepted medical standards and reasonable levels of service, by which private ambulance services are to be judged, must be published. Adds a provision that in the event a city or town preliminarily concludes that an existing private ambulance service is inadequate, the private service shall be given sixty days to meet the standards before the city or town may establish a competing ambulance service utility.

(2) Provides that availability costs shall be uniformly applied across all utility user classifications within the utility rather than be uniform for every physical address.

(3) With respect to demand costs, language is deleted which referred to residences and businesses and, instead, reference is made to utility user classifications.

(4) Specifics are added concerning the required exemption and there is provision made for reductions as well as exemptions for the poor and infirm.

(5) Nonsupplant provisions remain essentially the same, but language is added to allow those cities which were operating an ambulance utility and which commingled general fund revenues and ambulance utility dollars to estimate the amount of general fund dollars which had been used for the ambulance service.

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