



EMS Fiscal Assessment

**Mendocino County
Anderson Valley – Covelo - Laytonville**



Emergency Medical Services
Coastal Valleys EMS Agency

EMS Enhancement Funding

At the May 6th Mendocino County Board of Supervisors meeting, LEMSA and OES staff were directed to conduct a fiscal assessment of our rural EMS providers receiving County EMS enhancement funding. Anderson Valley, Covelo and Laytonville Fire Departments all participated in the assessment and were asked to provide the following information to Coastal Valleys EMS Agency for review:

1. **Current billing rates**
2. **Current reimbursement rates**
3. **Number of EMS transports**
4. **Annual agency EMS budget**
5. **Identified gaps in budget**
6. **Agency efforts to improve identified funding gaps**
7. **Review of what the County funding has supported since 2014**
8. **Intent of ongoing funding support into the future**
9. **IGT/GEMT enrollment and participation**
10. **Confirmation of 100 percent Patient Care Reports completed and submitted for billing for all patient contacts**

This presentation is an overview of fiscal and system challenges identified from information collected from our three fire-based EMS transport services providers who receive EMS enhancement funding from Mendocino County totaling \$66k, per department.

Overall System Status

Across Mendocino County, ambulance services in **Laytonville, Covelo, and Anderson Valley** all face *chronic structural deficits* due to a mix of rural challenges:

- workforce shortages
- low reimbursement rates from Medi-Cal, and
- payer mix challenges

Despite positive collaboration and support between departments, improved billing and strong documentation, these factors create a pattern of fiscal instability for EMS.

Revenue and Collections Expanded by Provider

Anderson Valley Fire Dept.	Anderson Valley Fire Department	
	Basic Charges as defined by Medicare coding	Usual/Customary
	A0425 - Ground mileage, quantity is per mile	\$40.0
	A0426 - Advanced Life Support Level 1, Non-Emergency	\$2,574.0
	A0427 - Advanced Life Support Level 1, Emergency	\$2,574.0
	A0428 - Basic Life Support, Non-Emergency	\$2,000.0
	A0429 - Basic Life Support, Emergency	\$2,000.0
	A0432 - Paramedic Intercept	\$2,000.0
	A0433 - Advanced Life Support Level 2, Emergency or Non-Emergency	N/A
	A0434 - Specialty Care Transport	\$0.0
	A0998 - Ambulance response and treatment, no transport	\$600.0
	Other Charges if an agency bills separately for such services	
	Oxygen	\$145.0
	Night Charge	
	Extra Crew	
	Response, treat non-transport	\$600.0
	Response, assist other agency	\$600.0
	Emergency	\$120.0
	ECG Charge	\$100.0
	Annual Subscription	
	2023 Average Patient Charge (number of 911 responses billed/total dollars billed=APC)	\$2,515.5
	Fee Schedule.pdf	

Anderson Valley Fire Department

Anderson Valley Fire Department – EMS Division

- Billing Rates: Anderson Valley's rates are competitive with regional averages:
- Reimbursement Realities: Actual reimbursement is far lower than billed rates due to payer mix:
 - Commercial Insurance: ~\$2,762 per call (best reimbursement category, but small share of payer mix).
 - Medicare: ~\$529 per BLS transport + \$9 per mile.
 - Medi-Cal: ~\$1,168 per BLS transport (with add-ons).
 - Private Pay: ~\$403 per call, with low collection likelihood.
- Payer Mix Impact: With 64% Medicare and 17% Medi-Cal, over 81% of patients fall into the lowest reimbursement categories, driving average payments per call down to ~\$400–\$2,700 (depending on case).
- Unique Challenge: Anderson Valley receives zero reimbursement for patient turnover to ALS rendezvous, which represented 38–40% of transports in FY 22/23–23/24 and remain a significant revenue drain. This uncompensated workload erodes their ability to build reserves or stabilize financially.
- Revenue Vulnerability: While billing practices are solid, Anderson Valley faces significant revenue vulnerability due to reliance on government reimbursement programs. They may also face potential changes to programs like GEMT and IGT alongside other economic pressures.
- Volunteers: Anderson Valley relies on volunteers for ambulance coverage. Volunteers receive a small stipend for their service with some of the EMS Enhancement funds.

Revenue and Collections Expanded by Provider

Covelo Fire Dept.	Covelo Fire Protection District Effective June 1 2025	Usual/Customary
	Basic Charges as defined by Medicare coding	
	A0425 – Ground mileage, quantity is per mile	\$50.00
	A0426 – Advanced Life Support Level 1, Non-Emergency	\$3,000.00
	A0427 – Advanced Life Support Level 1, Emergency	\$2,200.00
	A0428 – Basic Life Support, Non-Emergency	\$2,200.00
	A0429 – Basic Life Support, Emergency	\$2,200.00
	A0432 – Paramedic Intercept	
	A0433 – Advanced Life Support Level 2, Emergency or Non-Emergency	
	A0434 – Specialty Care Transport	\$2,200.00
	A0998 - Ambulance response and treatment, no transport	\$200.00
	Other Charges if an agency bills separately for such services (AED)	\$200.00
	Oxygen	\$100.00
	Night Charge	\$200.00
	Extra Crew	\$75.00
	Response, treat non-transport	\$200.00
	Response, assist other agency	
	Emergency	
	ECG Charge	
	Annual Subscription	
	URL for provider website with posted rates	none

Covelo Fire Department

Covelo Fire Protection District – Ambulance Division

- Annual Payments: The Covelo Board of Directors recently voted to adjust ambulance rates to align with industry billing standards.
- Trend Analysis: While the collection ratio may have a modest increase with improved documentation, Covelo's total patient revenue is extremely limited relative to costs. With staffing costs exceeding \$218,000 annually just for coverage, patient reimbursement cannot close the gap.
- Demographic Impacts: Covelo's service area demographics are a key limiting factor: nearly 46% of residents live in poverty and 10.4% are uninsured, leading to very low reimbursement levels regardless of billing practices.
- Funding Dependence: Historic County grants and subsidies have kept services afloat (e.g., \$198,000 in FY 21/22), but recurring revenues remain inadequate to sustain operations. The district carries an annual structural shortfall of ~\$900,000, making it the most financially vulnerable provider.

Revenue and Collections Expanded by Provider

Laytonville Fire Dept	Laytonville Fire (Long Valley Fire Protection District)	
	Basic Charges as defined by Medicare coding	Usual/Customar
	A0425 - Ground mileage, quantity is per mile	\$28.
	A0426 - Advanced Life Support Level 1, Non-Emergency	\$2,200.
	A0427 - Advanced Life Support Level 1, Emergency	\$2,200.
	A0428 - Basic Life Support, Non-Emergency	\$2,200.
	A0429 - Basic Life Support, Emergency	\$2,200.
	A0432 - Paramedic Intercept	
	A0433 - Advanced Life Support Level 2, Emergency or Non-Emergency	\$2,200.
	A0434 - Specialty Care Transport	\$2,200.
	A0998 - Ambulance response and treatment, no transport	\$125.
	Other Charges if an agency bills separately for such services	
	Oxygen	\$85.
	Night Charge	\$110.
	Extra Crew	\$110.
	Response, treat non-transport	\$110.
	Response, assist other agency	
	Emergency	\$110.
	ECG Charge	\$125.
	Annual Subscription	
	2023 Average Patient Charge (number of 911 responses billed/total dollars billed=APC)	\$3,334.
	URL for provider website with posted rates (or state not posted)	Not Posted

Laytonville Fire Department

- **Laytonville Fire Department – Ambulance Division**

- Gross Billing Potential: Laytonville projects approx. \$800k annually in gross billings based on its average patient charge of \$3,334.12 per transport.
- Collection Realities: While billing compliance is strong (100% PCRs completed), actual net collections are significantly reduced by payer mix. Medicare and Medi-Cal reimbursement rates are well below billed charges, and uninsured/underinsured patients further erode revenue recovery.
- Revenue Stability: Despite relatively high billing volume (726 transports in FY 22/24), the agency operates at a recurring deficit of ~\$191k–\$216k annually. This deficit persists even after factoring in county ALS subsidies and the Fire District's special tax revenue.
- Key Limitation: Laytonville has the strongest gross revenue base of the three providers but remains structurally reliant on subsidies due to its payer mix.
- Revenue Vulnerability: While billing practices are solid, Laytonville faces significant revenue vulnerability due to reliance on government reimbursement programs. They may also face potential changes to programs like GEMT and IGT alongside other economic pressures.

Comparative View

Anderson Valley: Moderate billing strength, but reimbursement heavily constrained by payer mix and uncompensated ALS rendezvous transfers → unstable revenue base. The membership program is a benefit to the community that provides access to ground and air transports. Should AVFD close the ambulance program, residents would be faced with higher billing costs.

Covelo: Lowest revenue generation; demographics make collections structurally insufficient → largest deficit.

Laytonville: Highest gross billing potential, but collections fall short → modest deficit.

Expenditures and Budget Gaps

Anderson Valley: While billing rates are competitive, reimbursement shortfalls tied to payer mix and zero reimbursement for ALS rendezvous transfers erode financial viability. Reserve-building is not possible under current conditions.

Covelo: Struggles most significantly and is more vulnerable due to recent necessary staffing costs for 24/7 BLS coverage. Ambulance staffing in Covelo is challenging. Heavy reliance on temporary grants, special tax support, and anticipated GEMT/IGT enrollment (not available until 2026) leaves EMS operations highly unstable.

Laytonville: Full compliance with Patient Care Reports but continues to carry a \$191k–\$216k annual deficit. This deficit is narrowed by ALS subsidy and fire tax support.

Funding Sources

County subsidies and stipends remain critical lifelines. Without them, none of the agencies could maintain operations at current levels.

Grant funding (e.g., USDA ambulance replacement, past County grants) has helped with equipment and capacity but does not address ongoing operational deficits.

GEMT/IGT programs offer future potential revenue boosts but carry administrative burdens and uncertainty; in some cases (e.g., Anderson Valley's first PPGEMT year) they have even produced net losses.

Workforce and Service Delivery Risks

Staffing shortages EMT staffing challenges continue to strain Covelo and Anderson Valley. Laytonville also faces challenges with Paramedic staffing. Coastal Valleys EMS Agency and CAL FIRE support oversight of our System Status Management Plan which ensures a dynamic system movement plan at low levels but without staffing the plan is fragile and compromised.

ALS rendezvous transfers create uncompensated workloads for Anderson Valley and Covelo, siphoning resources with no revenue return.

Payroll pressures drive Laytonville's deficit, despite strong operational compliance and billing strength. Payroll pressures also drive Covelo's deficit; Covelo has been working to improve all billing and reimbursement opportunities.

Ambulance closure creates a domino effect to our overall system response. Impacts of one agency closing an ambulance service reduces overall system resources. A reduction in resources creates instability in emergency response times and potentially patient outcomes.

Key Findings

Structural Deficits Persist – All agencies face recurring annual shortfalls, making long-term stability uncertain.

Payer Mix Constraints – Medicare/Medi-Cal dominance and high uninsured populations ensure revenue recovery will always lag behind billing.

County Support is Essential – Local subsidies, stipends, and targeted grants are the only consistent factors maintaining service stability.

Sustainability Risks – Each agency's risk profile differs, but all are exposed:

- Laytonville: Payroll-driven deficit reliant on subsidy + fire tax.
- Covelo: Workforce shortages magnify deficit; heavy subsidy dependence.
- Anderson Valley: Reimbursement losses from ALS rendezvous transfers and inability to build reserves.

Future Outlook – Fiscal health hinges on:

- Ensuring **GEMT/IGT reimbursement participation**, this is a heavy lift for small, rural service providers.
- Volunteer Departments have been the historic lifeline to EMS services in rural Mendocino County. With a decline in volunteerism, all agencies face a financial crisis to staff EMS resources.

Highlights of our Rural EMS System

- Volunteers
- Dedicated partners working together to sustain services
- Local community asset
- Fire partners are willing to participate in discussions on larger county vision to sustain services (JPA, EOA, etc.)

Questions?

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