



Recovering the Cost

# Fire Service Reimbursement

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## Rachel Williams

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I am the Vice President of Client Services for EMERGIFIRE and EMERGICON.

I originally supported EMERGICON in a Client Development role and have returned to lead Client Services.

I am a graduate of the University of North Texas, with more than 15 years experience in communications, consulting and client experience.

I believe in the mission of serving first responders so they can serve their communities.

# Today, we'll talk about



The definition of cost recovery as it relates to the Fire Service



The advantages of cost reimbursement for the Fire Service



Recommended services for cost recovery



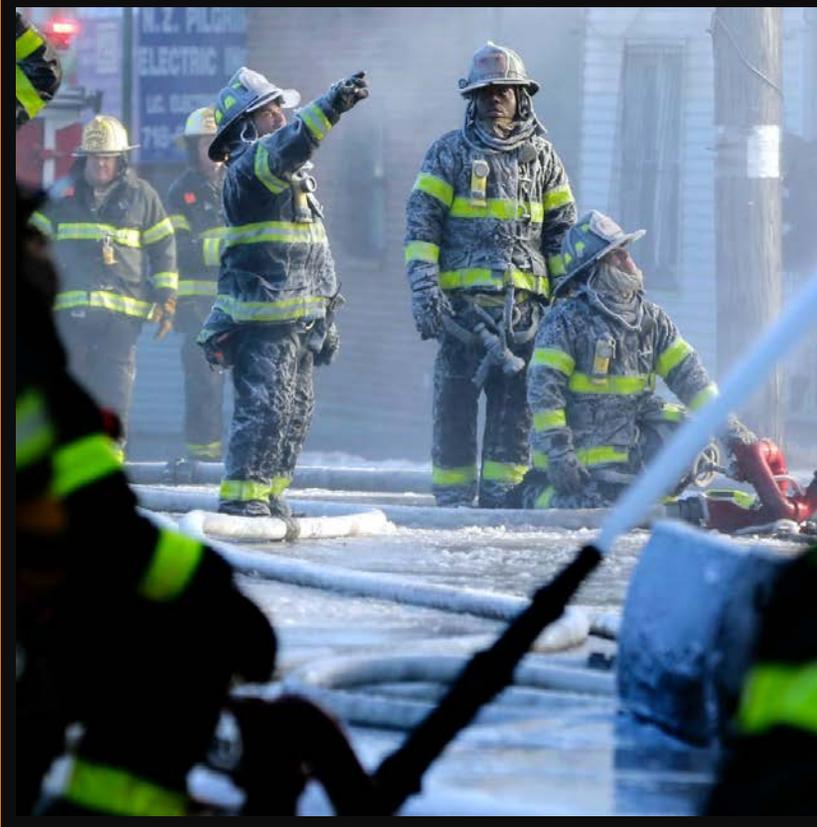
Trends in insurance providers' behavior and how to manage them

# Cost Recovery for the Fire Service

Taxes pay for readiness, but often fail to cover the cost of utilization, especially for major incidents.

- Major Commercial Fires
- Specialty Services
- Multi-Department Response

Fire Service Reimbursement is designed to help recuperate the costs associated with engaging third-party vendors or out-of-the-ordinary department costs from the insured parties.



# Advantages of Cost Recovery

## **New Source of Revenue**

- Cost recovery for the Fire Service provides an additional source of funding to Fire Departments.
- Generally, Fire Departments are supported by tax dollars. Some Fire Departments provide Emergency Medical Services, which can generate some additional revenue.

## **Completely customizable**

- Fire cost reimbursement can be structured in a way that is suitable for your community, meaning that you can make decisions about what you would like to pursue cost reimbursement for, unlike EMS billing.

# Recommended Services for Fire Cost Reimbursement

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- Responses that require a third-party/specialty services
    - Hazardous Material Removal
    - Swift Water Rescue Teams
    - High Altitude Response Teams
    - Dive Teams
    - Lake Response Teams
  - Industrial Incidents
  - Repeated services with safety implications
    - Fuel Cut-Off Malfunctions
  - Vehicle Accident
    - Loss of use (blocked road) can be considered property damage
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# Trends in Insurance: Your Ordinance

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## Insurance Companies Pay Attention to the Language of Your Ordinance

- Establish a premise
  - *“...there are increasing costs for providing adequate fire prevention and protection and other public emergency services...”*
- Fees authorized
  - Establish authorized fees for billing purposes
- Enforcement
  - *“...may enforce the provisions of this Ordinance arbitration or civil action in a court of competent jurisdiction...”*
- Cumulative Repealer
  - Legal language to establish this Ordinance in full effect and force

# Trends in Insurance: Behavior Across Payers

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## Different Insurance Agencies Pay Claims Differently

- Understanding who pays which claims can inform the decisions a Fire Service makes about what to recover costs for
  - Understanding who pays which claims can give the Fire Service and its community leverage to drive behavior change at the Payer level
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# Trends in Insurance: Laws Vary State by State

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## **What Costs Can be Recovered and How Vary State by State**

- Insurance Agencies have significant lobby power
- Efforts to reduce or stabilize taxes are ever present
- It is important to help our governmental leaders understand that the Fire Service must be funded somehow

# Recommended Next Steps

## Decide

Decide what services your agency wants to recover costs for

## Build

Build the appropriate ordinance and get it approved by your governing body

## Understand

Understand what is necessary for claim submission and begin documenting your responses

## Consider

Consider connecting with an experienced partner who can help you navigate your entry or growth in Fire Cost Reimbursement

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*Taxes pay for readiness.*

*Utilization must be covered in  
another way. Fire Cost  
Reimbursement can help.*

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# Questions?

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