

South Salt Lake City Council
Work Meeting Agenda

Public Notice is hereby given that the **South Salt Lake City Council** will hold a Work Meeting on **Monday, March 31, 2014** in the City Council Chambers, 220 East Morris Avenue, **commencing at 6:00 p.m.**, or as soon thereafter as possible.

Conducting: Irvin H. Jones, Jr., Council Chair

MATTERS FOR DISCUSSION:

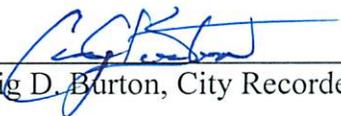
1. Ambulance Report

THOSE NEEDING AUXILIARY COMMUNICATIVE AIDS OR OTHER SERVICES FOR THIS MEETING SHOULD CONTACT CRAIG D. BURTON AT 801-483-6027, GIVING AT LEAST 24 HOURS' NOTICE.

CRAIG D. BURTON
CITY RECORDER
March 27, 2014

Each of the Deseret News and Salt Lake Tribune was advised of the Work Meeting of the Council to be held Monday, March 31, 2014 by fax transmittal of the foregoing agenda on Thursday, March 27, 2014.

Dated this 27th day of March, 2014.



Craig D. Burton, City Recorder

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

The undersigned, duly qualified and acting City Recorder of the City of South Salt Lake, does hereby certify that on the 27th day of March, 2014, pursuant to Utah Code Annotated Section 52-4-202 (1953), as amended, there was posted (at least 24 hours prior to the meeting time) at the regular meeting place of the City Council of the City of South Salt Lake, written Notice of the Agenda of the Work Meeting of the Council, a copy of which is attached and incorporated herein as Exhibit "A." The undersigned does further certify that there was mailed or delivered to all persons shown on Exhibit "B," Notice of Agenda of the above mentioned work meeting, a copy of which is attached hereto and incorporated herein.

Name: CRAIG D. BURTON
Title: CITY RECORDER

Signature: 

Witnessed the 27th day of March, 2014 by
Name: KAYLA MOSS

Signature: 



CITY COUNCIL

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CITY OF SOUTH SALT LAKE
CITY COUNCIL WORK MEETING

COUNCIL MEETING

Wednesday, March 31, 2014
6:00 p.m.

CITY OFFICES

220 East Morris Avenue
South Salt Lake, Utah 84115

PRESIDING
CONDUCTING

Council Chair Irvin Jones
Council Chair Irvin Jones

COUNCIL MEMBERS PRESENT:

Sharla Beverly, Ryan Gold, Irvin H. Jones Jr., Kevin Rapp, Michael Rutter,
Debbie Snow and LeRoy Turner

STAFF PRESENT:

Mayor Cherie Wood
Lyn Creswell, City Attorney
Ron Morris, Fire Chief
Kyle Kershaw, Finance Director
Craig Burton, City Recorder

OTHERS PRESENT:

See Attached List

Matters for Discussion

- 1. Ambulance Report.** Mayor Wood explained that it has been four years since the ambulance started up and they want to look at the Wikstrom Study to see where it should be and have an independent person come in and access how we're doing. Another reason they sought an outside study is because of the political cloud that's in the valley when it comes to talking about providing emergency services. This is a big decision they need to make together and they should have very accurate and reliable information to make it.

Dr. Murry Sturkie asked if the Council would like to review his report on the ambulance service or just ask him questions. A copy of his report is attached to these minutes and incorporated by this reference.

Council Member Rutter asked Dr. Sturkie to compare the Wikstrom Study to his study and give an opinion of the Wikstrom Study so the Council understands how the previous Council came to the conclusion they did.

Dr. Sturkie advised that he read the Wikstrom study, which gave several scenarios, and each of those said that at some point the City would break even. With his experience with other agencies and talking to other people, that rarely happens. You

don't break even with an exclusive 9-1-1 system. Private EMS agencies do make money but they don't do it on 9-1-1. Most of them don't want to do 9-1-1 because the reimbursements aren't there. That's the big problem with it. They make their money on the non-emergency transports. Those are guaranteed payments. They won't transport unless they are being paid. Most agencies that just do 9-1-1 have to have tax support because they can't do it just by billing. He feels Wikstrom painted an overly rosy picture of what could happen and you had another factor of the economic crunch which complicated the whole process.

There was a lengthy discussion among the group regarding how the City ambulance service came to be and what information factored into that decision.

Fire Chief, Ron Morris, explained that previous to having the ambulance service, a fire truck would respond to an emergency then wait for the ambulance to arrive. If the patient still needed paramedic care the paramedics would then get aboard the ambulance and go to the hospital with the patient. That leaves one or two people on the fire truck which isn't enough to be in service to fight a fire and Gold Cross won't bring the paramedics back so the only option is to drive the fire equipment to the hospital and pick up the paramedics. Today, the City ambulance and fire truck respond and the ambulance takes the patient to the hospital. The fire truck has three people on it and can go back into service instead of being unavailable for two hours.

Council Chair Jones advised that the ambulance service is set up as an enterprise fund currently but the ambulance is so interconnected with the Fire Department he believes it shouldn't be an enterprise fund. He asked what the alternatives might be.

Chief Morris explained that all of his people are crossed trained as firefighters so everyone on the ambulance is a firefighter as well. Getting into the ambulance business has allowed them to put two more firefighters on every fire call they go on. The National Fire Protection Association (NFPA) has standards they have created. They aren't laws, but if we go to court it would be the standard we would be held to. NFPA 17.10 states you will have four people on every piece of fire apparatus you respond with. Another standard says for every two people you send into a fire you have to have two people outside, ready to go in and get them if they get in trouble. He can't send anyone in until he has those two people outside. Being in the ambulance business now, the first arriving company has five, three on the engine and two on the ambulance, so they can do immediate rescue or whatever is needed. If ambulance is done away with they only have three first responders so they can't do anything but stand on the sidewalk and shoot the fire hose. They would have to wait for a second unit. If they do away with the ambulance service he will be asking for more employees so he can put four people on the engine so he can do effective fire suppression and rescue with the first arriving engine. He would need a minimum of seven more FTE's to do that which would be somewhere in the \$460,000 dollar range. They are subsidizing the ambulance still but there are nine firefighters for that \$200,000 which is a pretty good deal. He stills thinks there's a chance they can reduce the deficit to almost break even.

There's another agency called the ISO (Insurance Service Operators) that give each fire department a rating for insurance. South Salt Lake is currently rated a three, with one being the best. When a business comes in and they're going to be insured, one of the things the insurance company asks is what is the fire departments ISO rating? Some of their insurance is dictated by what the ISO rating is. So, if they slip to a four or five because they don't have four people on an engine you're probably going to have some business owners upset because their insurance rates have gone up.

Chief Morris stated that they are the only ones that have their ambulance service in an enterprise fund. All the other chiefs would say that they hide a lot of their ambulance costs in their fire budgets to try and make it look like they are breaking even and doing better than they are.

Council Member Snow feels to move it out of an enterprise fund looks like an attempt to hide the fact that it's losing money. At least in the enterprise fund they know what it is costing and they're responsible for it.

Chief Morris advised the hard part about being in an enterprise fund is it's hard to split out all the costs that spread over ambulance and the Fire Department.

Finance Director, Kyle Kershaw, advised that this happens in several funds. Because they are a city that offers a wide array of services, you're going to get this. He feels from a management standpoint, they would be interested in trying to identify most of the costs involved in running a particular service. They wouldn't be having this discussion and bringing in an expert if the ambulance costs had been rolled up in the General Fund and you don't really know how much this is costing. He sees Chief Morris' point, and they do the best they can to allocate costs, but certainly there is some going back and forth between the two, but that is not unusual for enterprise funds. From a fee standpoint you can tell the residents that every nickel that's collect through ambulance fees goes to support paramedics, ambulances and medical services.

Council Chair Jones wondered if a paramedic who is fighting a fire should no longer be in the ambulance fund but in the fire department. If it's truly an enterprise fund the ambulance service should be sending Fire a bill for their services.

Dr. Sturkie said he is not a finance expert but he acknowledged that's the problem with trying to allocate costs to a certain service because they are so intimately related. Sometimes paramedics are fighting fires and sometimes they're taking care of patients. Why make the effort allocate the funds? If you're just looking at an overall cost you can say at least all the money is going toward the paramedic service and we know the income isn't enough to pay for the paramedics completely. At the same time they also know the paramedics are supporting the fire service for fire operations and saving fire operations some money. Is there a wash there? Maybe not, but you lose it if you lose those people and then you have costs to the public because they'll pay higher taxes and you don't get the service that was originally intended.

Chief Morris said the only reason for not making it an enterprise fund is it makes it a lot easier with all the duplication and crossovers. He's fine either way.

Council Member Beverly asked if there was any liability if they went with another ambulance service.

Mr. Creswell said the only liability is on the fire side. They can't put two firefighters into a burning building unless two are on the outside. Having the ambulance service gives the citizens a quicker response time because the ambulance gets there faster than before so they can respond faster to fires.

Chief Morris explained that an ambulance responds on every fire call to give them the two extra firefighters.

Council Member Snow noted that the Wikstrom Study said response time would be reduced to four minutes and Dr. Sturkie's study says its eight minutes and thirty seconds.

Dr. Sturkie advised that the number he was quoting was a national standard number. South Salt Lake meets, and beats, the national standard. It consists of the time the call came into dispatch until the first responder arrives.

Chief Morris advised that their response time is four to five minutes. He will get the Council the number for their response time.

There was discussion regarding the Wikstrom Study painting a very rosy picture of the ambulance service.

Dr. Sturkie said the Wikstrom Study was at a big disadvantage because Gold Cross did not provide information to Wikstrom and they had to make assumptions about how much money was going to be generated.

Council Member Rapp stated that the City is being taken advantage of by having jails here. Agencies are dropping off suspects who aren't admitted to the jail because of injury and leaving them for our people to take to the hospital.

Chief Morris advised that they have met with Salt Lake Police and the Jail and have a pretty good agreement in place now. The call volume has dropped significantly. The next step they are working on is having Salt Lake Fire call the jail, explain the suspect's condition, and ask if they think they will accept him. If the Jail says no, Salt Lake Fire will take them to the hospital. They are still working to improve things at Grace Mary Manor. They are on the cusp of doing that.

Council Member Snow asked if the Affordable Care Act would help increase revenue.

Dr. Sturkie said many low income people still don't even know about it. There are so

many people out there that are uninsured and still don't have the awareness. Hopefully, eventually it will help. We just don't know what's going to happen.

Chief Morris said the Jail and Mary Grace Manor haven't really increased our costs. It hasn't helped either. South Salt Lake is a busy City. Fire wise it is five times busier, per capita, than Salt Lake City.

Mr. Kershaw advised that if the Council agrees that Fire needs four hands on a truck, the ambulance service is the best way to pay for it right now because the ambulance fees are paying about half the costs. They are hoping for some improvement in revenue. It appears that four man crews are required.

Chief Morris said it depends on the level of service the Council wants to have. If they want the Fire Department to pull up and squirt water through the hose, and that's the best they ever do, then that's what they'll do. But if the Council wants them to be a progressive, aggressive, state of the art fire department like they are today, then he needs the fourth person.

Chief Morris explained that they are asking the State for an increased ability to bill for the ambulance. They were asking to go from \$0.12 a dollar to \$0.33 cents. That is just for an increased ability to pay for the ambulance.

Mr. Kershaw advised that there are a couple of things that could improve the situation. The State increased the ambulance service rates by eighteen percent which will help a little bit but only for fifteen percent of the transports. Eighty-five percent of the City's service is Medicare, Medicaid, and non-pays.

Chief Morris explained that they have to keep increasing the rates because they have to offset the people who aren't paying and the Medicaid reimbursement. If they could get Medicaid somewhere near Medicare they wouldn't have to keep raising the rates so that the people with insurance pay this exorbitant amount of fees in ambulance and the others get it for free all the time. Their call volume is going down because the people who have insurance don't want to either pay their co-pay or the ambulance bill. They're driving junior themselves because they don't want to pay that.

Council Member Beverly asked about overtime costs.

Chief Morris explained that he has fifty full-time employees and twenty-five part-time. When the full-time guys are on vacation they staff with the part-timers. On the occasion where he can't find a part-timer he has to have someone on overtime come back. He would really like to get out of the part-time fire business because they aren't "our" guys. They don't have the same values that full-timers bring to the table day after day after day. He has fifteen guys on staff every day. Sometimes during the summer when it's really busy, five of those are part-timers. It causes some morale problems and other issues. They don't get the best bang for the buck out of them. They don't do a lot of overtime unless they can't get the part-timers.

Council Member Rapp said part of the proposal was that the ambulance service would break even. If it doesn't by 2016 then that's puts them in a hole. If they want the Council to fund this, what is being done to come up with the shortfall?

Chief Morris said they are trying to correct the Medicaid problem to make it better. They are charging the maximum the State will allow them to charge. This year they have started charging the treat and release fee, which he isn't a big fan of, but knowing they are so short, he is trying to do everything he can.

Mr. Creswell advised that they are also looking at changing their collection agency provider. The agency they are with may not be optimizing their return. It's possible they could collect a little more revenue on the bad debt side than they are currently.

Chief Morris said they are doing everything they can to try and stop the bleeding. The biggest advantage of having the ambulance service is they don't have to drive a fire truck to the hospital. Even if they had a sedan to take patients to the hospital, Engine 41 is still out of service until it gets back. Today, because of the ambulance service, the engine still has three people on board and goes right back into service. So, they provide more service at a greater level than they did prior to being in the ambulance business.

Council Member Rutter likes having ambulance service in an enterprise fund because it helps us identify the true costs of doing business.

Council Member Snow said that if they are going to continue with the ambulance service they need to address the 2016 plan because the last plan they saw had this as part of the way to make up \$200,000 dollars. She is worried about it. Until they roll out a functioning budget that breaks even with \$2 million dollars less, she feels the City is running in the red.

Council Member Rutter isn't comfortable saving the \$200,000 dollars and giving the citizens less benefits. He doesn't think they will find a solution to break even on the ambulance. They could have a problem they're not having now if they get rid of the service.

Dr. Sturkie advised that if they put it out to bid they will probably pay more for the same service they have now. It comes down to what level of care the Council wants to provide. Cost is a major factor.

Council Member Snow wants to know what the cost is for some of the other providers and would they provide paramedics? She wondered if they should get a couple of bids just so they can compare.

Chief Morris advised that the City is licensed for this geographic region and no one else is. So there is a problem with whomever they want to contract with. They would need to put that into the interlocal agreement as well. So, it's not as easy as picking someone to come in and do it.

Council Chair Jones agrees 2016 is a big issue but he doesn't feel it should be on the back of the ambulance. They've got to find a different solution for the 2016 problem.

Council Member Rapp stated there's a prevailing belief that government can't do a better job than private enterprise. In this case everyone seems to have the opposite opinion. He asked if this point has been looked at.

Council Member Rutter believes that if they went to bid Unified Fire would come in with a great bid and then they would raise property taxes to pay for it.

Chief Morris recommended that they keep the ambulance service in-house and keep it part of the Fire Department so they can provide the highest level of medical care. He doesn't believe that ambulance service providers care about our people like we do. They won't get the same level of care. In his opinion, going away from the service they provide today is a decrease in service.

Dr. Sturkie agreed that the care the City provides is excellent. It's the highest quality. The training, background, and education skills are all there. They have a great paramedic program but it comes with a cost.

Mayor Wood stated that if her son was choking she wants the best paramedic there.

Council Member Gold asked what the ISO rating would drop to if they just had three handed trucks.

Chief Morris thought they would slip at least to a four or a five. It's hard to know without having them come and do their studies.

Council Member Rutter advised that if they dropped to four or five soon insurance rates on homes and businesses would go up and there's nothing that the citizens or business owners could do about it. It's set by the industry.

Dr. Sturkie left the meeting at 7:42 p.m. to catch a flight home.

Council Member Snow cited that Sandy City has named Gold Cross their 2014 business partner of the year. She believes this isn't the only way to do this. There are other cities doing UFA or Gold Cross or other things. If they choose to go this way she wants to do it as a conscience decision, but not because somebody made the case that this is the only way it has to be done.

Chief Morris advised that Sandy has its own ambulance service and Gold Cross is their backup 9-1-1 ambulance. Gold Cross is doing mostly inter-facility transports in Sandy but backs them on 9-1-1 calls when they are busy and their ambulances are gone. The Chief there made a decision that he didn't want his 9-1-1 equipment out of service to do inter-facilities, so he's got an agreement with Gold Cross to come in and do that. It works well for them. They don't have the problems South Salt Lake has.

Most of their folks are insured and pay their bills and their 9-1-1 ambulance is doing fairly well.

Council Member Snow suggested that they take some bids. She wants to know who's out there and what their options are. She doesn't believe there is only one option. She would like to get bids and weigh all the options.

Mr. Kershaw asked what the licensing process is.

Chief Morris advised that once they decide, as a city, that they are okay with someone else taking their license it can go pretty quick. They can either prove a needs and necessity or it can be done through an interlocal agreement. Gold Cross does the transports for the City right now.

Council Member Gold asked if our ambulance could do transports.

Chief Morris advised that there aren't enough in the City. There are only about three a week.

Mayor Wood added the City doesn't have the license to do them.

Chief Morris asked that if they do go out to bid that they bid for like services and that the ambulances be located geographically in the City. They are going to want to keep all the revenue and they are going to want the City to subsidize them for the money they are going to lose. It won't be \$200,000 dollars because they won't put firefighter/paramedics on their ambulance. They are going to put \$7.00 dollar an hour people on them. Then Chief Morris is going to come with his hand out wanting firefighters to keep us where they are at on the fire side. He thinks the only viable candidate is Gold Cross. He doesn't see any other options.

Meeting adjourned at 6:38 p.m.



Irvin H. Jones, Jr., Council Chair



Craig Burton, City Recorder

EMS System Review for South Salt Lake City Fire Department

Murry B Sturkie, DO, FACOEP, FACEP

January 30, 2014

INTRODUCTION

After years of unsatisfactory service from outside ambulance service contracts, South Salt Lake City commissioned a study to determine if an ambulance service provided by South Salt Lake City Fire Department would be feasible. The original study in October, 2008 (*Ambulance Service Provision Feasibility Study* done by Wikstrom Economic and Planning Consultants, Inc.) noted that the city fire ambulance service should become financially viable after a five to seven year start up. Based on the above study, South Salt Lake City Fire Department created and has been operating an ALS (Advanced Life Support) paramedic ambulance service since April 2009. Funding for the service has been managed under an Enterprise Fund to monitor its financial status. The system is in its fourth year and concerns have come up regarding the continued use of general funds from the city budget to maintain the ambulance service. A secondary study was requested from another outside source (Murry Sturkie, DO, FACOEP, FACEP an EMS Medical Director out of Boise, Idaho – partial Curriculum Vitae is attached at the end of the study) to review the current status of the system, make recommendations and give possible options for the mayor and her staff.

This independent review was conducted on December 6, 2013. The system review consisted of a site visit with interviews involving the Fire Chief, the Deputy Fire Chief, the EMS Director, several paramedics on duty, the mayor, and city attorney. Preliminary discussions were conducted by telephone prior to the site visit in order to streamline the single day site visit. Day to day operations, policies and procedures as well as data accumulated over the past few years were included in the review as well as visits to the three fire stations to see accommodations for EMS and fire personnel. The Paramedic service was evaluated on processing of calls, unit per hour utilization, staffing requirements, types of calls, payer mix and funding mechanism. Paramedic continuing education standards as well as skills maintenance was also reviewed to see how the program assured the quality of service to the public. The evaluation also included a review of the original *Ambulance Service Provision Feasibility Study*.

EXECUTIVE SUMMARY

- SSLCFD provides an exceptional service to the citizens of SSLC by providing well trained, state of the art equipment and experienced paramedics to the citizens of SSLC with motivated and supportive leadership.
- Paramedic services are a needed service to the public and the public recognizes and appreciates that service provided by the City.
- Call volumes increase with economic growth. Current volumes are starting to increase, which may help reduce the financial deficit of the Enterprise Fund.
- General Fund costs to support the paramedic ambulance service are upwards of \$200,000 per year.
- Initial startup of the service included three 24/7 ambulances. This third ambulance coverage was discontinued as the costs were too high for the service provided. Eliminating the third ambulance from service and using it for backup has been a sound economic decision and will allow for future growth at a lower cost.
- Current call volume, payer mix, and collection rates do not completely support the current expenditures of the Enterprise Fund.
- State law sets the ambulance rates charged by ambulance services, which does not allow a service to bill adequately for costs of services rendered. Improved collections and other funding sources, such as subscriptions, event standby, or community fundraisers may provide additional resources.
- Most exclusive 9-1-1 systems are not able to fund fully an ambulance service solely based on collections for this service. This is especially true for this system with its payer mix, state laws and tax base.
 - Ambulances rates are determined by the State
 - Alternative non-emergency transports are not readily available to SSLCFD for additional revenue
 - No new taxing or other funding mechanisms were identified

CONCLUSION: Based on the local demographics, economic circumstances, and outside regulation and billing conditions, South Salt Lake City Fire Department is doing better than average with an annual deficit of about \$200,000 per year. The original study was optimistic and did not consider the long term effects of the 2008 recession and slow recovery. 9-1-1 ambulance services, even in better economic times and with a stronger tax base, rarely are revenue neutral, but their benefit should be considered a public service in the same way as libraries, roads, and schools.

REVIEW

Why did South Salt Lake City make the change?

The South Salt Lake City paramedic transport services were initially contemplated and debated using an internal review and assessment by the South Salt Lake City Fire Department and then from an outside independent review using the *Ambulance Service Provision Feasibility Study* of October 2008. South Salt Lake City recognized that the previous transport services did not meet their expectations for services to the community.

Prior to 2009, there were long delays for an ambulance to join the EMS providers already at the scene. These delays created potential patient care issues as well as keeping EMS/Firefighting personnel out of service at the scene for extended times. The goal of the transition was to improve the response time for ambulance transport as well as making available life saving interventions in a timely manner. The previous reviews noted that there appeared to be sufficient funding to help create this service under various projected scenarios. However, startup costs involving equipment and vehicles would need to come from the general fund with some additional general funding over the initial seven years. An Enterprise Fund was created to help monitor and maintain accountability of the process.

Have the quality goals been met with the change?

Response times for South Salt Lake City Fire ALS (advanced life support) fractile times (90% of calls) is 8 minutes 31 seconds which is at or better the national standard of 8 minutes 59 seconds.

The average run time (time of dispatch, en route, on scene, transport and hospital time to back in service) per unit in 2012 and 2013 is about 50 minutes. The shortest run time was less than a minute and the longest was about 2 hours in duration.

Utilization per hour (u/hr) per paramedic ambulance is 0.18. Another way of describing utilization is that 11 minutes out of every 60 minutes the paramedic unit is actively involved in direct patient care. This is reflective of how much time the unit spends in direct services to the public on emergency responses. A 0.25 u/hr is roughly the average for ambulances. This allows for ongoing education, training as well as community outreach activities.

In the short time I was in contact with the department personnel, traveling around out in the public eye, I was able to see and appreciate a significant public impact the Fire Department and Paramedic service have on the community. On three separate occasions, members of the public would, on their own, walk up and express appreciation to the Fire Department personnel and paramedics on how much they appreciate their service.

Although this is anecdotal, it most likely reflects a positive attitude the citizens of South Salt Lake City have of their fire department and the services it provides. This should be factored in on any decision made to either consolidate with an outside agency or obtain contract services.

Are operations revenue neutral or on track to become so?

The Enterprise Fund is now in its fourth year of a five to seven year projection and concerns have been raised that the service is not paying for itself. One of the most significant factors regarding this situation is the 2008 recession and slow economic recovery. This made the projections of the study inadequate. The economic crash affected the number of EMS calls as well as the projected growth in the economy and community, which was supposed to help generate additional funds to support the program. Also, the program was not going to be considered mature until about year seven. Various ongoing costs to the City have been projected up to \$200,000 per year and concern is strong regarding this additional unforeseen need for support for the Enterprise Fund.

Call volume by day of the week is pretty much static at approximately 10-12 call per day. The time of day has a higher variance with the highest number of calls coming between 8 a.m. and midnight with a sharp drop off after midnight.

In 2012 and 2013 roughly 68% of calls have a second incident at the same time thus requiring a second paramedic unit be available for response.

Call volume in 2012 and 2013 has roughly stayed the same at about 3,850 calls/year. However, the average number of patient transports has increased approximately 6% in 2013 when compared to the previous 4 year average (Jan '08-Nov '12 versus Jan '13-Nov '13). This trend, if it continues, may increase revenues as revenues are generated by transports.

The initial start up of the program projected the institution of two or three ambulances. South Salt Lake City chose to start with three ambulances but recently found that the third ambulance did not seem to be as critical when compared to the call volume and the number of overlapping calls. The third 24/7 ambulance was taken out of service, with minimal impact on services to the community, and is currently maintained as a back-up unit. The costs of staffing the third unit 24/7 was part of the ongoing costs of the system and with the reduction in staffing requirements, this ultimately will have a positive impact on the ongoing costs of the service and should be reflected in improved future financial stability. However, this change is not enough to make the service revenue neutral.

Why not?

South Salt Lake City Fire Department has approximately a 22,000 base population which increases to 85,000 during weekday business hours. It is an industrial based city and economy. It supports the local Salt Lake County Jail and has a marked indigent population. The current EMS call volume is around 3,800 calls per year resulting in approximately 1,900 transports per year. As noted, the initial independent study numbers are roughly the same but the study had projected increases in population, runs and transports resulting in an increased revenue stream over the subsequent years and possibly a better payer mix. The initial study information was somewhat lacking as the previous transport service would not provide actual numbers for services provided or actual billing information. And, of course, the economic downturn in the economy has had a significant impact on the projections made in the report.

Billing services are mainly accomplished internally by the South Salt Lake City Fire Department EMS Chief. Difficult to collect debt is contracted out to an outside entity that charges 7% of receivables. Current collections are around \$960,000 per year. The payer mix by current numbers is approximately

15 % Private Insurance, 30-40% Medicare/Medicaid and roughly 45% self pay/underinsured. Average per call reimbursement would be \$421.00 if all transports were paid. However, actual collections are at about 30% of gross billing. That means that roughly, in order to make the current income, the average call must reimburse approximately \$1,400.00 to meet current collection figure. Other sources of income have been reviewed by the Fire Department including non-emergent transport, fee for "non transport call" where services were rendered, impact fees for non-taxed areas where coverage is provided, and general impact fees for new businesses or enterprises. None of these appear to have been viable as another potential income source. Other potential sources of increased revenue could be through improved reimbursement rates undergoing efficiencies in the process but this again appears to be maximized with the process internalized and not paying for outside billing services.

The South Salt City Fire Department EMS Division appears to be efficient in its processes and provision of care to the public. It is well structured and lean in operations. The staffing of two 24/7 units appears to be the best scenario for the call volume and frequency of calls. One ambulance would not meet the call volume or frequency of calls and there would be calls waiting for the unit to be free to respond. A coverage reduction would thus affect the response times and transport times defeating the purpose of the initial intent of internalizing transport services. Although, there are times when more than two ambulances are needed in the system, it does not appear to support adding the third unit 24/7.

Current billables on average is \$250,000 per month and the average monthly receipts is \$80,000 (July '12 thru Nov '13) which is roughly \$960,000 per year from a potential \$3,000,000. This is approximately a 32% overall collection rate from all sources.

Ambulance transport services are intimately integrated into fire suppression services. Any change in the transport services would most likely have a significant impact on staffing models and personnel responding to fire calls, motor vehicle crashes, rescues as well as EMS calls. This could have an additional cost for fire suppression services in the city. Mutual Aid is available but not used very often and does result in prolonged response times.

Financial Stability of a 9-1-1 Ambulance Service

In the opinion of this author, based on personal observation and experience, revenue generated from a 9-1-1 ambulance transport system is usually insufficient to pay for itself. Without other revenue sources (non emergency transports, standby services at public or private events, or outside contracts) the 9-1-1 ambulance service will rarely, if ever, pay for itself.

Paramedic services solely provided on a non-transport engine company generally have no way to recover costs of their service. In Utah there does exist a rule (Rule #R426-16 Utah State Bureau of EMS and Utah Department of Health) to allow some reimbursement (currently at \$231.30 per non Medicaid/Medicare transport) to the non-transport paramedic agency to help defray the costs of providing this paramedic service. SSLCFD, prior to April 2009, did provide non-transport paramedic services before taking over the ambulance transport service and was able to get reimbursed more than \$100,000 in each 2008 and 2009 from the agency then providing ambulance transport. This was reflected in the city's general fund for those years. The remainders of the costs of providing non-transport services were absorbed directly by the fire department budget. After the decision was made to operate the ambulance transport service internally, the fire department was then able to start

recovering a greater portion of the costs incurred. The Enterprise Fund was established to help manage/monitor the revenues and expenditures incurred with this program.

Current cost of providing an advanced life support service with ambulance transportation to the citizens of SSLC is approximately \$1.2 million and roughly \$200,000 of which comes out of the general fund. Under the current reimbursement model for EMS, providing ambulance transport is a means to generate revenue to cover a good portion of the cost of doing business. As noted, a pure 9-1-1 Paramedic transport service rarely, if ever, pays for itself or generates excess income. The cost differential is always a factor to consider.

Fire and EMS should be considered a public service and part of government cost of doing business just as any other essential service provided by the governmental entity. The study provided by Wikstrom in 2008 painted a rosy picture predicting, if certain criteria were met, the 9-1-1 ambulance service would be able to pay for itself over time. That, in fact, is a very unlikely scenario. Very few, if any, solely provided 9-1-1 ambulance service can pay for itself based in fee for service. This is especially true with the limitations imposed on SSLC's ability to pass on actual costs of providing service (caps placed on maximum ambulance charges, limitations on alternate revenue sources like non emergency transports, inter facility transports, stand-by coverage at sporting events as well as other contract services)

What options are available for the future?

Discontinuation of ambulance transport services and contracting with another ambulance transport service. Points to consider include:

- Quality of care
- Access to the city from outside
- Loss of direct control of services
- Costs of contract services

Maintain Ambulance Service as is

- Continued costs of the ambulance service beyond current collections, not expected to be resolved completely but could be reduced as economic growth continues
- Maintain local control of the service
- Maintain the quality of care desired

Decisions will need to be made as to what is most critical to the City.

- Overall cost of current ambulance service to the City
- Costs of outside agreement for contract services may exceed current costs
- Maintain control of quality of services provided to the citizens of SSLC
- Merging/Contracting with an outside entity to provide services with each pro and con
- Willingness of outside entities to enter into a contract for services

About the author of this document:

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