

Contra Costa County Fire Protection District

Ambulance Service Finance Report
May 9, 2017



Overview

- Effective January 1, 2016, the Fire District became the exclusive operator of emergency ambulance service within Exclusive Operating Areas 1, 2, and 5 in Contra Costa County.
- AMR provides emergency ambulance service on behalf of the Fire District, as the ambulance service sub-contractor, pursuant to the establishment of the Alliance.
- Effective February 1, 2016, the dispatching of ambulance resources was transitioned from AMR to the Fire District, resulting in reduced call processing times.
- The Fire District continues to develop its relationship with AMR in an effort to maximize operational efficiency and deliver outstanding service to the citizens of Contra Costa County.
- The new endeavor has required substantial adjustment. The Fire District continues to reposition internal resources to effectively manage the operational and financial components of the ambulance service program.

Key Goals of the Alliance

- ▶ **Efficient use of emergency resources**
 - ▶ Fire and ambulance resources working collaboratively
 - ▶ Consolidated communications centers, single point dispatching
 - ▶ Training, medical direction, and quality control staff synergy
- ▶ **Potential revenue/savings**
 - ▶ Collections exceed expenses, system is sustainable
 - ▶ Efficiency adds “capacity” to an already burdened fire response system
- ▶ **Improved service levels**
 - ▶ Response times exceed county requirements
 - ▶ Dispatch times reduced by almost one (1) minute

Factors That Drive Revenue

- ▶ Transport Volume
- ▶ Payer Mix
- ▶ Service Provided
- ▶ Service Charges
- ▶ Payer Reimbursement Rates
- ▶ Average Mileage
- ▶ Documentation
- ▶ Hospital Relationships
- ▶ Health Care Reform Impact

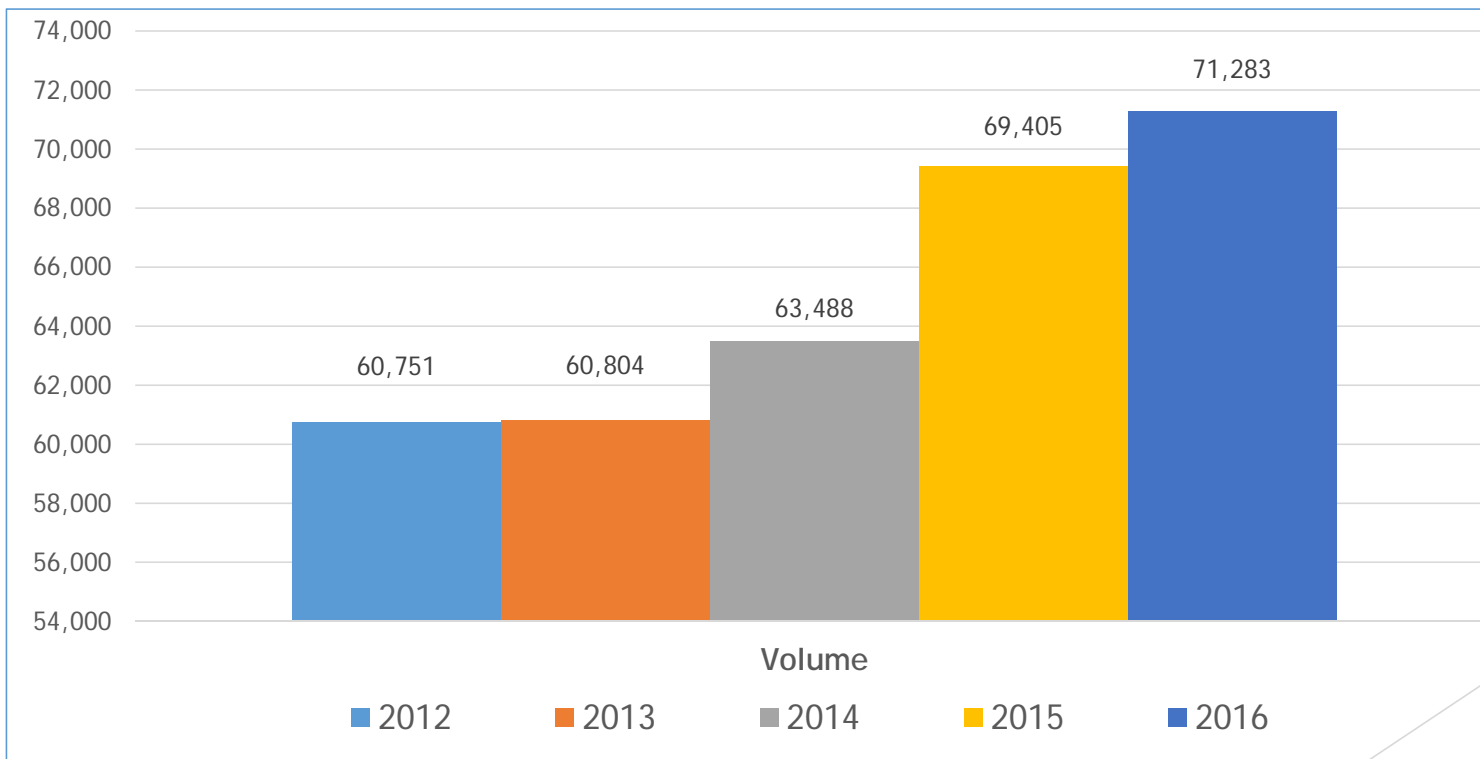


Transport Volume

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
60,751	60,804	63,488	69,405	71,283
<u>%Incr</u>	<u>0.09%</u>	<u>4.41%</u>	<u>9.32%</u>	<u>2.71%</u>

- ▶ Averaged 194.8 transports per day in 2016. AMR averaged 187.8 transports per day in 2015.
- ▶ AMR provided 236,710 ambulance unit hours (UHs) in 2016. That equates to an average of 646.75 UHs per day and 4,527 UHs per week.
- ▶ Contemplated using 5,173 UHs per week in ambulance bid proposal.
- ▶ Lower UHs resulted in a lower overall system cost.
- ▶ Despite lower UHs, 90% contractual response time standard exceeded in all zones.

Transport Volume

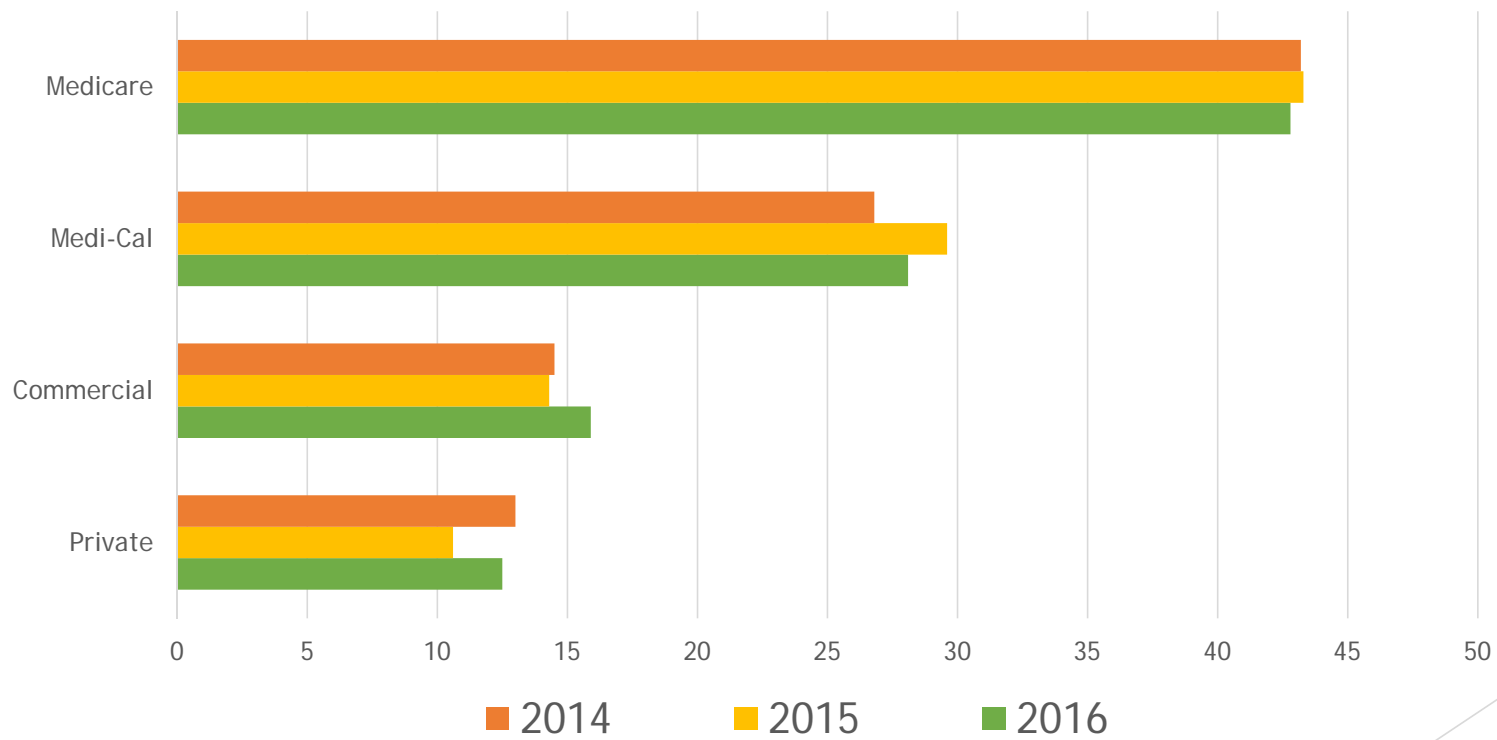


Payer Mix

Payer Type	<u>2014</u>	<u>2015</u>	<u>2016*</u>
Medicare and Medicare HMO	43.2%	43.3%	42.8%
Medi-Cal and Medi-Cal HMO	26.8%	29.6%	28.1%
Commercial Insurance	14.5%	14.3%	15.9%
Private Pay	13.0%	10.6%	12.5%
Other	2.4%	2.2%	0.7%

* Based on 2016 data as of 4/30/17. This will change somewhat as accounts continue to mature.

Payer Mix



Medicare and Medi-Cal Allowables

Medicare Allowables

- ▶ Medicare pays ambulance base rate and mileage only. Medicare does not pay for oxygen or treat/refuse transport (TNT). Medicare does not pay for non-emergency transports. Rates vary by region.
- ▶ In general, the District will receive a payment of no more than \$510 for ambulance service (i.e., the base rate) with a nominal adjustment for mileage for Medicare patients.

Medicaid (Medi-Cal) Reimbursements

- ▶ Medi-Cal reimburses for ambulance base rate, TNT, oxygen, and mileage. New rates were published 4/15/17.
- ▶ On average, the District receives a reimbursement of \$120 for ambulance service with nominal adjustments for the administration of oxygen (if applicable) and mileage for Medi-Cal patients.

2016 Contra Costa County Ambulance Data

Gross Charges	\$ 194.2 million
Adjustments	\$ 104.8 million
Net Charges	\$ 89.4 million
Collections	\$ 42.9 million
Collection Rate	22.11 %

Average Charge	\$ 2,592
Average Mileage	7.84
Avg Adjustment	\$ 1,400
Avg Net Charge	\$ 1,192
Avg Collection	\$ 573

Accounts take at least 9-12 months to mature from the date of transport.

Finances

This is what we showed you at our last financial update:

	2016					
	Jan	Feb	Mar	Apr	May	Jun
Collections	3,161,284	2,731,810	2,912,234	2,625,554	2,736,663	2,444,462
Expenditures	2,943,534	2,522,999	2,845,348	2,834,860	2,986,059	2,950,370
	217,750	208,811	66,887	(209,306)	(249,396)	(505,908)

Notes:

Revenue based on date of service (DOS) as of 8/31/2016.

Did not include payments for Medi-Cal beneficiaries.

Expenditures expressed on an accrual basis. Do not include soft costs (e.g., wages and benefits for administrative positions).

Finances

This is what the same time period looks like now:

	2016					
	Jan	Feb	Mar	Apr	May	Jun
Collections	3,462,404	3,437,811	3,641,884	3,371,361	3,534,040	3,543,110
Expenditures	2,997,905	2,580,353	2,889,010	2,960,080	3,123,521	3,117,289
	464,499	857,458	752,874	411,281	410,519	425,821

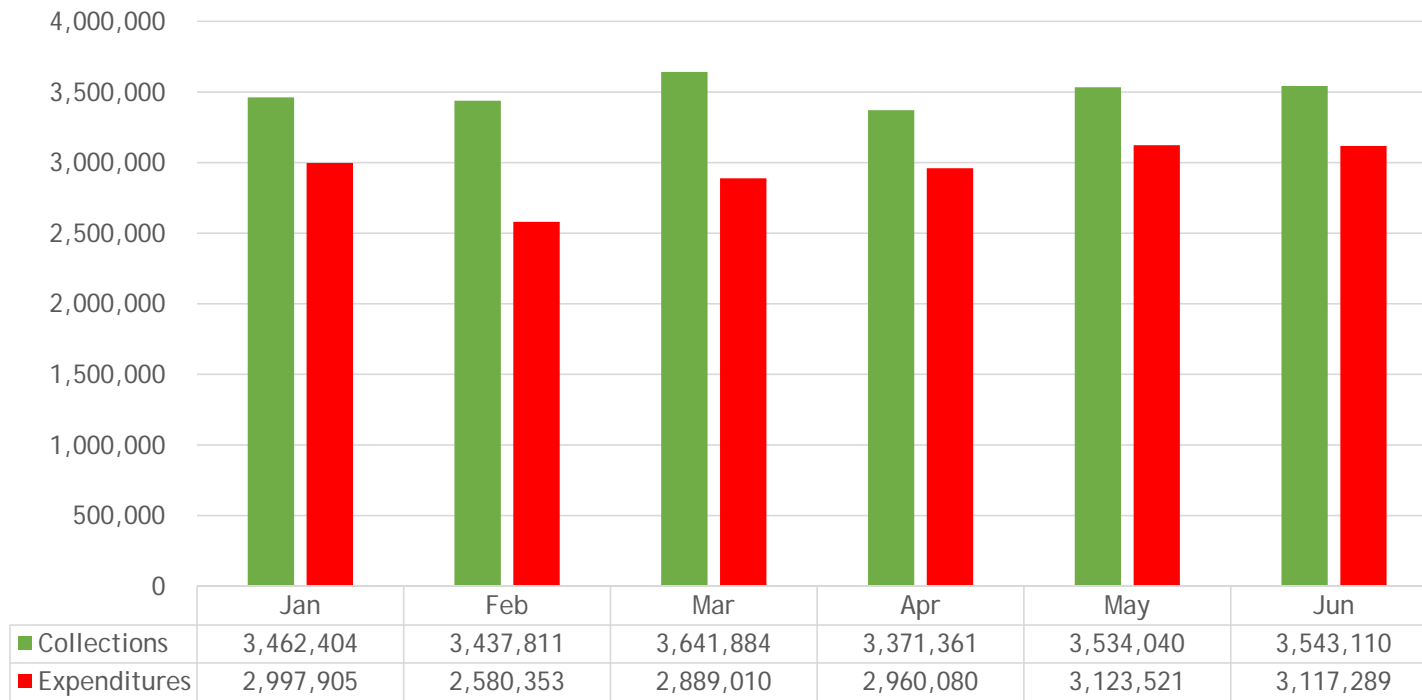
Notes:

Revenue based on date of service (DOS) as of 4/30/2017.

Expenditures expressed on an accrual basis. Do not include soft costs (e.g., wages and benefits for administrative positions).

Collections and Expenditures by DOS

(as of 4/30/2017)



Finances

Let's add July - December:

	2016					
	Jul	Aug	Sep	Oct	Nov	Dec
Collections	3,485,130	3,770,708	3,683,905	3,578,840	3,506,335	3,920,494
Expenditures	3,050,681	3,166,949	3,008,662	3,124,534	3,071,940	3,107,485
	434,449	603,759	675,243	454,306	434,395	813,009

Notes:

Revenue based on date of service (DOS) as of 4/30/2017.

Expenditures expressed on an accrual basis. Do not include soft costs (e.g., wages and benefits for administrative positions).

Collections and Expenditures by DOS

(as of 4/30/2017)



System Performance

▶ Response Times

Zones	Priority 1		Priority 3	
	Actual %	90% Standard	Actual %	90% Standard
A	94.57%	10:00	99.43%	20:00
B-D	94.76%	11:45	99.58%	20:00

▶ Outlier Defined as a single incident with an unusually long response time.

Priority	High Density	Low Density	Penalty
1	>18:59	>29:59	\$1500
2	>22:59	>44:59	\$1000
3	>39:59	>59:59	\$ 750
	347	33	

Total Incidents	Total Outliers	Percentage of Total	Total Penalties
100,464	380	.38%	\$296,250.00

System Improvements

- ▶ System finances and overall performance are transparent. No last minute surprises!
- ▶ Collaboration committee working together to:
 - ▶ Work through performance issues
 - ▶ Response time importance
 - ▶ Tiered response
 - ▶ 5150 response
 - ▶ Community Paramedicine
 - ▶ Hospital wait times
 - ▶ Identify and test opportunities
 - ▶ Reinvest revenue back into the system

Going Forward

- ▶ The Alliance system is sustainable based on 2016 data.
- ▶ Ambulance program related expenditures (including administrative costs) will be shifted from the District's General Operations Fund to the EMS Transport Fund beginning July 1, 2017. This shifting of costs will reduce the revenue-expenditure gap.
- ▶ The District transferred \$3 million from its General Operations Fund to the EMS Transport Fund to pay expenditures secured by anticipated receivables from the provision of ambulance service (essentially "seed money"). Those funds will need to be repaid.
- ▶ The District also needs to establish a significant fund balance within the EMS Transport Fund to stabilize this critical service in an uncertain future.
- ▶ The District intends to pursue federal supplemental reimbursement (GEMT) for services provided to Medi-Cal beneficiaries.



Questions?