

# **Ambulance Services Fiscal Overview (CSA 3 & 7)**

**Based on Fiscal Year End 06/07  
plus Projections to FY 08/09**

## CSA 3 South Shore – Provider is Cal Tahoe

| <b>CSA 3 South Shore</b>        | <b>Actual<br/>FY 06/07</b> | <b>Projected<br/>FY 07/08</b> | <b>Projected<br/>FY 08/09</b> |
|---------------------------------|----------------------------|-------------------------------|-------------------------------|
| Direct Assessment               | \$ 561,670                 | \$ 563,000                    | \$ 563,000                    |
| Ambulance Service               | \$ 1,325,347               | \$ 1,222,000                  | \$ 1,222,000                  |
| Misc. Revenue                   | \$ 74,238                  | \$ 54,000                     | \$ 54,000                     |
| Mental Health Offset            | \$ 11,466                  | \$ 12,500                     | \$ 12,500                     |
| <b>TOTAL REVENUE</b>            | <b>\$ 1,972,721</b>        | <b>\$ 1,851,500</b>           | <b>\$ 1,851,500</b>           |
|                                 |                            |                               |                               |
|                                 | <b>FY 06/07</b>            | <b>FY 07/08</b>               | <b>FY 08/09</b>               |
| Cal Tahoe JPA                   | \$ 1,608,180               | \$ 1,823,223                  | \$ 1,914,384                  |
| Tahoe West Shore (17% of calls) | \$ 22,440                  | \$ 23,382                     | \$ 24,738                     |
| Ambulance Billing               | \$ 92,747                  | \$ 78,898                     | \$ 78,898                     |
| CSA# 3 Admin                    | \$ 24,273                  | \$ 21,698                     | \$ 21,698                     |
| <b>TOTAL EXPENDITURES</b>       | <b>\$ 1,747,640</b>        | <b>\$ 1,947,201</b>           | <b>\$ 2,039,718</b>           |
|                                 |                            |                               |                               |
| Variance                        | \$ 225,081                 | \$ (95,701)                   | \$ (188,218)                  |
| Fund Balance at 6/30            | \$ 1,133,852               | \$ 1,038,151                  | \$ 849,933                    |



# CSA 3 South Shore Fund Balance Forecast

|  | 07/08       | 08/09     | 09/10      | 10/11      |
|--|-------------|-----------|------------|------------|
| <b>CSA 3<br/>South Shore</b>   |             |           |            |            |
| Beginning Projected<br>Fund Balance if<br>Cal Tahoe increases<br>5% annually and<br>revenues remain flat | \$1,038,151 | \$849,933 | \$ 564,949 | \$ 177,748 |



# CSA 3 South Shore Observations

- Cal Tahoe Contract expires on August 31, 2011 and cannot be extended
- Should the BOS choose to continue with an Exclusive Operating Area, a new RFP must be conducted in order to choose an ambulance provider for the next contract period
- The RFP process must begin no later than September 2010 in order to select/contract for provider to be in place by September 2011
- The Direct Assessment fee can only be increased by fully complying with the provisions and mechanisms of Prop 218. An updated engineers report will be required. Total cost could exceed \$50K and take over 9 months to prepare for and conduct



# CSA 3 South Shore

## Decision Points

- Evaluate continuation of Exclusive Operating status for emergency calls and whether to extend the EO to non emergency transports
- Determine if increase in direct assessment or change to special tax is needed to fund services beyond FY 10/11 and/or to maintain a minimum fund balance

# CSA 3 Tahoe West Shore – Provider North Tahoe Fire

| <b>CSA 3<br/>Tahoe West Shore</b> | <b>Actual FY 06/07</b> | <b>Projected FY 07/08</b> | <b>Projected FY 08/09</b> |
|-----------------------------------|------------------------|---------------------------|---------------------------|
| Special Tax                       | \$ 109,896             | \$ 111,525                | \$ 111,525                |
| Ambulance Service Fees            | \$ 30,614              | \$ 27,383                 | \$ 28,000                 |
| CSA 3 SLT Contribution            | \$ 22,440              | \$ 23,382                 | \$ 24,738                 |
| <b>TOTAL REVENUE</b>              | \$ 162,950             | \$ 162,290                | \$ 164,263                |
|                                   |                        |                           |                           |
|                                   | <b>FY 06/07</b>        | <b>FY 07/08</b>           | <b>FY 08/09</b>           |
| North Tahoe Fire                  | \$ 130,000             | \$ 137,540                | \$ 145,517                |
| Ambulance Service Fees            | \$ 28,354              | \$ 25,466                 | \$ 26,040                 |
| Ambulance Billing                 | \$ -                   | \$ 1,917                  | \$ 1,960                  |
| Admin                             | \$ 5,000               | \$ -                      | \$ -                      |
| <b>TOTAL EXPENDITURES</b>         | \$ 163,354             | \$ 164,923                | \$ 173,517                |
|                                   |                        |                           |                           |
| <b>Variance</b>                   | \$ (404)               | \$ (2,633)                | \$ (9,254)                |



## CSA 3 Tahoe West Shore Observations

- Prior to FY07/08 County was able to pay North Tahoe Fire the full amount of their contract including CPI
- In FY 07/08 annual proposed expenditures are expected to exceed available revenues
- North Tahoe Fire contract limits their reimbursement to available revenues
- North Tahoe Fire's reimbursement for FY 07/08 will most likely be adjusted to be less than the full contract amount due to flat revenues
- In the short term (pre 08/09) there are insufficient revenues to pay North Tahoe Fire their full cost of living adjustment
- In the long term (post 08/09) there are insufficient revenues to pay North Tahoe the full cost of their base contract



# CSA 3 Tahoe West Shore – Decision points

- Review percent of calls North Tahoe is making into CSA 3 South Shore (historically 17%)
- Evaluate options to make up difference between Revenues and Expenditures
  - An increase in Special Tax with an annual Medical CPI
  - Increase CSA 3 South Shore contribution to make up difference in revenues



## CSA 7 West Slope – Provider is WS JPA

| CSA 7                           | Actual<br>FY 06/07  | Projected<br>FY 07/08 | Projected<br>FY 08/09 |
|---------------------------------|---------------------|-----------------------|-----------------------|
| Property Tax (6% 08 & 09)       | \$ 2,686,179        | \$ 2,847,250          | \$ 3,018,191          |
| Special Tax (3.5% 08, 2% 09)    | \$ 1,517,657        | \$ 1,545,035          | \$ 1,575,936          |
| Ambulance Service fees (3%)     | \$ 5,570,203        | \$ 5,129,066          | \$ 5,282,938          |
| Miscellaneous Revenue/Interest  | \$ 182,804          | \$ 130,000            | \$ 130,000            |
| <b>TOTAL REVENUE</b>            | <b>\$ 9,956,843</b> | <b>\$ 9,651,351</b>   | <b>\$ 10,007,065</b>  |
| JPA Provider Services (5% 09)   | \$ 7,774,213        | \$ 8,611,905          | \$ 9,042,500          |
| JPA Capital Assets              | \$ -                | \$ 460,000            | \$ 475,000            |
| Ambulance Billing               | \$ 390,311          | \$ 311,960            | \$ 321,319            |
| CSA 7 Admin                     | \$ 195,450          | \$ 181,744            | \$ 181,744            |
| <b>TOTAL EXPENDITURE</b>        | <b>\$ 8,359,974</b> | <b>\$ 9,565,609</b>   | <b>\$ 10,020,563</b>  |
| Variance                        | \$ 1,596,869        | \$ 85,742             | \$ (13,498)           |
| Prior FYs WS JPA Under Expended |                     | \$ 517,119            |                       |
| Proj Fund Balance 6/30          | \$ 4,589,889        | \$ 5,192,750          | \$ 5,179,252          |



## CSA 7 West Slope Observations

- CSA 7 has a significant fund balance of \$5 Million
- Structural changes have resulted in growth of fund balance – EMSA funded by General Fund, Ambulance Billing outsourced, fee schedule increased and expanded plus WS JPA controlled costs
- Annual costs currently equaling annual revenue
- Uncertain as to what extent revenues will continue to grow
- Uncertain of future increases in WS JPA operating costs based on current level of service
- WS JPA is in the process of reviewing service needs of the West Slope
- Review of Revenue Recovery (Collection Services) underway



# Ambulance Fee Review

- Committed to conduct a full cost recovery fee review every two years, next one to be completed by July 2008
- Last one was implemented in July 2006, cost \$25K and increased fees an average of 9% (previous fee increase occurred in Nov 2004)
- July 2007 BOS approved increasing fees by Medical CPI in interim years
- Medical CPI for 2007 was 6%
- Staff recommends continuing to use the Medical CPI to adjust ambulance fees rather than conducting a full cost recovery review which could cost \$25K and not result in an increase in revenue greater than what could be achieved by adjusting for Medical CPI
- Fee increases result in higher write-offs, particularly Medi-Cal & Medicare, and limited increase in revenue



# Summary of Decision Points

- CSA 3 South Shore –
  - Contract expires August 2011
  - Need for RFP
  - Address funding issues in FY 08/09 Budget
- CSA 3 Tahoe West Shore
  - Annual revenue insufficient to fund provider annual CPI in short term and base contract in long term
  - Address funding issues prior to FY 08/09 Budget
- CSA 7 West Slope
  - Significant fund balance
  - Annual costs generally equal annual revenues in short term
  - WS JPA reviewing service needs
- Ambulance Fee Review
  - Full cost recovery review vs. Medical CPI



# Questions/Comments & any Direction to staff