



Legislation Text

File #: 23-1081, **Version:** 1

Chief Administrative Office, Emergency Medical Services and Emergency Preparedness and Response Division, recommending the Board:

- 1) Approve and authorize the Chair to sign a Fiscal Year (FY) 2022-23 budget transfer reducing General Fund Contingency and increasing revenues and appropriations in the County Service Area (CSA) 3 ambulance fund in the amount of \$1,025,000 to fund ambulance operations in the Tahoe Basin South Shore area; and
- 2) Approve and authorize the Chair to sign a FY 2022-23 budget transfer increasing appropriations in Services and Supplies and Operating Transfers out in CSA 7 and reducing contingency in that fund in the amount of \$100,000. (4/5 vote required)

FUNDING: CSA 3 - General Fund Contingency, CSA 7 - CSA 7 Contingency.

DISCUSSION / BACKGROUND

The County is responsible for ensuring the provision of prehospital Advanced Life Support (ALS) services to the residents of the County and does so by contracting for these services through CSAs. The County is divided into two CSAs for the provision of ambulance services. CSA 3 includes the Lake Tahoe Basin, the City of South Lake Tahoe, Meeks Bay, and Tahoma. The California Tahoe Emergency Services Operations Authority (CTESOA) has been the contracted ambulance operator in the CSA 3 South Shore operating area for 20 years. CSA 7 includes the West slope of the County, the City of Placerville, Pollock Pines, the Divide, Cameron Park, Shingle Springs, Diamond Springs, and South County. The El Dorado County Emergency Services Authority (EDC ESA) has been the contracted ambulance operator in the CSA 7 West Slope operating area since 1976.

The County's Emergency Medical Services (EMS) System is authorized by County Ordinance Code Chapter 8.74 - County Emergency Medical Service and Medical Transportation Ordinance ("EMS Ordinance"), under the provisions of Title 22 of the California EMS Act, and the California Health and Safety Code.

CSA 3 Budget Transfer

In general, in CSA 3, there are challenges associated with providing ambulance services. Challenges include but are not limited to: lack of providers, a high percentage of Medi-Care and Medi-Cal payers who do not fully cover the cost of services provided, and increasing costs of services due to inflation and contractually approved increases. In addition, unlike CSA 7 on the West Slope, CSA 3 does not have an ad valorem property tax subsidy, making CSA 3 much more dependent on ambulance fee revenue. Historically, ambulance fees had been set at one rate countywide. As development in CSA 7 resulted in increasing subsidization of the service, fees remained relatively low to avoid creating a surplus in CSA 7, however, this resulted in insufficient revenue to support services in CSA 3. To address this, the Board of Supervisors approved the adoption of a separate fee in CSA 3, which was a 44% increase, in June of 2022, with Legistar Item 22-0380.

Unfortunately, as reported during the FY 2022-23 Mid-year report to the Board, revenues have not increased as hoped, while costs have been higher than expected, resulting in a projected shortfall in the current fiscal year of \$1,025,000. If the current trend continues, the shortfall may be as high as

\$2,000,000 in FY 2023-24. To address the potential FY 2023-24 shortfall, the Board directed the inclusion of \$2,000,000 in American Rescue Plan Act (ARPA) funding in the FY 2023-24 Recommended Budget. The EMS Agency and the CAO Central Fiscal Unit are working to determine what may be causing the shortfall in addition to the known factors such as the high percentage of Medi-Care and Medi-Cal payers and flat call volumes, and will return to the Board with a discussion of the issue and possible solutions before the end of the calendar year.

CSA 7 Budget Transfer

In CSA 7, a budget transfer is needed due to an increase of \$25,000 in payments to other governments for higher than anticipated Quality Assurance Fee (QAF) payments under the Ground Emergency Medical Transport (GEMT) QAF program and an increase of \$75,000 in operating transfers to the EMS program, which experienced a higher than anticipated cost in salaries and benefits, due to Board-approved compensation increases and charges for County Counsel services.

ALTERNATIVES

The Board could choose not to approve the budget transfers; however, failure to do so would result in County Service Area 3 having insufficient revenue to cover the costs of providing the services.

PRIOR BOARD ACTION

06/22/2021 Legistar Item 21-0953 - The Board awarded RFP 21-990-036 to CTESOA and authorize the Chief Administrative Officer or designee to negotiate an agreement for services with CTESOA.

08/24/2021 Legistar Item 21-1197 - The Board approved and authorized the Chair to execute agreement 5873 with CTESOA for advanced life support ambulance operations services within CSA 3 for the period beginning September 1, 2021 through August 31, 2031, with an option to exercise a five (5) year extension.

06/21/2022 Legistar Item 22-0380 - The Board approved a CSA 3 specific fee and fee increase.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

FINANCIAL IMPACT

The financial impact for CSA 3 is \$1,025,000 from General Fund Contingency, which was accounted for at the mid-year report. There were sufficient General Fund Savings projected at mid-year to replenish the General Fund Contingency. Staff will return to the Board in late 2023 for a fuller policy discussion and recommendations regarding CSA 3's long-term financial sustainability. The FY 2023-24 financial impact for CSA 7 is a reduction of \$100,000 from contingency funds, which leaves a total contingency in CSA 7 of 43% of appropriations.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Return the executed budget transfer to Chief Administrative Office, Central Fiscal Services, ATTN: Kerri Williams for further processing.

STRATEGIC PLAN COMPONENT

Healthy Communities

CONTACT

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