



EMS Authority Briefing  
EMS Financial Options FY10-11  
May 11, 2010

# ***Financial Updates***

---

**1 - FY10-11 ALS First Responder Budgets – Initial Submissions**

**2 - EMS Fund Budget Projection**

**2 - Ambulance User Fees**

**3 - EMS Reserves**

**4 - EMS Ad Valorem**

**5 - Preliminary Consideration of Options**

# ALS First Responder Program Budgets (1 of 2)

Agency	FY09-10	FY10-11	Change	% Change
<b>Belleair Bluffs (Largo)</b>	\$378,188	\$506,565	\$128,377	33.95%
<i>Personal Services up 35% (adjust for actual staff assigned)</i>				
<b>Clearwater</b>	\$4,895,205	\$5,067,389	\$172,184	3.52%
<i>Pension Costs up 25%; W Comp up 23%; Staff Relief up 13%; Salaries up 4%.</i>				
<b>Dunedin</b>	\$1,236,340	\$1,319,990	\$83,650	6.77%
<i>Pension Costs up 22%; W Comp up 12%; Staff Relief up 14%; Salaries up 3%.</i>				
<b>East Lake</b>	\$1,200,843	\$1,236,536	\$35,693	2.97%
<i>Pension Costs up 16%; W Comp up 5%; Staff Relief up 5%; Salaries up 3%.</i>				
<b>Gulfport</b>	\$382,934	\$415,210	\$32,276	8.43%
<i>Staff Relief up 10%; Salaries up 10%.</i>				
<b>Largo</b>	\$3,341,395	\$3,732,075	\$390,680	11.69%
<i>Personal Services up 13%</i>				
<b>Lealman</b>	\$1,883,956	\$1,723,856	(\$160,100)	-8.50%
<i>Personal Services down 9% (adjusted Staff Relief Multiplier to reduce costs)</i>				
<b>Madeira Beach</b>	\$384,352	\$362,622	(\$21,730)	-5.65%
<i>Personal Services down 6% (more accurate budget forecast)</i>				
<b>Oldsmar</b>	\$383,219	\$385,932	\$2,713	0.71%
<i>Operating Expenses down 20%; Pension Costs up 18%; Healthcare up 15%.</i>				
<b>Palm Harbor</b>	\$1,781,029	\$1,819,746	\$38,717	2.17%
<i>Pension Costs up 27%; Healthcare down 21%; Staff Relief up 16%; Salaries up 2%.</i>				

## ***ALS First Responder Program Budgets (2 of 2)***

<b>Agency</b>	<b>FY09-10</b>	<b>FY10-11</b>	<b>Change</b>	<b>% Change</b>
<b>Pinellas Park</b>	<b>\$2,589,519</b>	<b>\$2,961,321</b>	<b>\$371,802</b>	<b>14.36%</b>
<i>Pension Costs up 21%; Healthcare up 13%; Staff Relief up 9%; Salaries up 6%; \$161K Overhead</i>				
<b>Pinellas Suncoast</b>	<b>\$938,581</b>	<b>\$969,501</b>	<b>\$30,920</b>	<b>3.29%</b>
<i>Operating Expenses up 12%; Personal Services up 2%</i>				
<b>Safety Harbor</b>	<b>\$826,135</b>	<b>\$914,683</b>	<b>\$88,548</b>	<b>10.72%</b>
<i>Pension Costs up 40%; Staff Relief up 16%; Salaries up 9%.</i>				
<b>Seminole</b>	<b>\$1,878,060</b>	<b>\$2,031,427</b>	<b>\$153,367</b>	<b>8.17%</b>
<i>Pension Costs up 40%; Healthcare up 23%; Staff Relief up 58%; Salaries down 8% (adjusted to reduce costs)</i>				
<b>South Pasadena</b>	<b>\$812,831</b>	<b>\$710,173</b>	<b>(\$102,658)</b>	<b>-12.63%</b>
<i>Pension Costs up 16%; W Comp up 18%; Healthcare up 13%; Capital down \$160K (Rescue Truck)</i>				
<b>St. Pete Beach</b>	<b>\$1,108,691</b>	<b>\$1,118,241</b>	<b>\$9,550</b>	<b>0.86%</b>
<i>Operating Expenses down 11%; Pension Costs up 10%; Salaries up 1%.</i>				
<b>St. Petersburg</b>	<b>\$11,903,769</b>	<b>\$12,544,738</b>	<b>\$640,969</b>	<b>5.38%</b>
<i>Pension Costs up 17%; Salaries up 4%.</i>				
<b>Tarpon Springs</b>	<b>\$928,377</b>	<b>\$899,739</b>	<b>(\$28,638)</b>	<b>-3.08%</b>
<i>Personal Services down 4% (more accurate budget forecast)</i>				
<b>Tierra Verde (Lealman)</b>	<b>\$461,148</b>	<b>\$500,197</b>	<b>\$39,049</b>	<b>8.47%</b>
<i>Personal Services up 9% (adjust for actual staff assigned)</i>				
<b>Treasure Island</b>	<b>\$414,644</b>	<b>\$401,286</b>	<b>(\$13,358)</b>	<b>-3.22%</b>
<i>Personal Services down 4% (more accurate budget forecast)</i>				

## ***ALS First Responder Program Budgets***

---

- **FY09-10 Funding** **\$37,729,216**
- **FY10-11 Initial Submissions** **\$39,621,240**
- **Increase 5.01%** **\$1,892,024**
  
- **No New Positions**
- **No New ALS First Responder Units**
- **Average Paramedic Salary Increase \$2,098 or 4.30%**
- **Average Benefit Cost Increase \$3,803 or 12.12%**
- **Average Compensation Increase \$5,901 or 6.33%**

# ***EMS Fund Budget Projection***

<b><u>Revenues (100%) and Fund Balance</u></b>	<b>FY 2011</b>
Estimated Beginning Fund Balance	\$28,883,940
Ad Valorem Revenue (Decrease 12% from Prior Year)	\$31,065,460
Ambulance User Fees (including Membership)	\$41,713,040
Other Income (Interest, Grants)	\$1,242,790
<b>TOTAL FUND BALANCE &amp; REVENUES</b>	<b>\$102,905,230</b>
<b><u>Expenditures</u></b>	
ALS First Responder Agreements - Initial Submission	\$39,621,240
Ambulance Contract	\$35,700,000
Personal Services, Operating, Capital, Transfers and Grant	\$12,303,140
<b>TOTAL EXPENDITURES</b>	<b>\$87,624,380</b>
<b>Revenues Less Expenditures Excluding Use of Fund Balance</b>	<b>(\$13,603,090)</b>
<b>Target Fund Balance of 33.3% per Ordinance</b>	<b>\$29,178,919</b>
<b>Funding Deficit to Maintain Reserves</b>	<b>(\$13,898,069)</b>

# ***Ambulance User Fees*** (1 of 4)

---

- **Average ALS Emergency Retail Base Rates**
  - **Pinellas County = \$473.73**
  - **Regional (Tampa Bay MSA) = \$521.82**
  - **Metropolitan Statistical Area (Hernando, Hillsborough, Manatee, Pasco, Pinellas, Polk and Sarasota)**
  - **Florida = \$541.17**
  - **National = \$636.91**
- **Payor Mix based upon Collections**
  - **Medicare = 55% (fixed reimbursement rate)**
  - **Insurance = 20%**
  - **Medical Facilities = 9%**
  - **Private Pay = 8%**
  - **Medicaid = 8% (fixed reimbursement rate)**

# Ambulance User Fees (2 of 4)

- Resolution 89-208 allows for an automatic increase in the retail rate by the Medical Consumer Price Index (CPI) if Reserves are <33 1/3%
- Most Recent ALS Emergency Retail Rate Increases:
  - October 2004 = 4.4% (to \$451.60)
  - May 2008 = 4.9% (to \$473.73) (in anticipation of reserve <33 1/3%)
- Every \$1 in Retail Rate increase will generate approximately \$26,480 in Revenue (Base + 5 Mile Average)

<u>Adjustment</u>	<u>% Increase</u>	<u>Increase</u>	<u>Retail Base Rate</u>	<u>Revenue</u>
Medical CPI	3.37%	\$15.96	\$489.69	\$472K
Regional Average	10.15%	\$48.09	\$521.82	\$1.4M
State Average	14.23%	\$67.44	\$541.17	\$1.7M
National Average	34.65%	\$164.18	\$637.91	\$4.3M
\$5M Revenue Target	39.89%	\$189.97	\$663.70	\$5M



# ***Ambulance User Fees*** (3 of 4)

---

- **Medicare Allowable Cost Issue**
  - Medicare Allowable decreased 2% in January 2010; after a temporary 18 month increase.
  - Cut was restored by Federal Jobs Bill by Congress
  - Bill is an Interim Fix until 2011
  - Medicare Allowable may decrease by 2% in January 2011 If not addressed again by Congress
  - Bill being pursued by the American Ambulance Association to increase Fee Schedule and make the temporary increase permanent.
  - Negative Impact in FY10-11 could be up to \$500K
  - Review Fee Schedule in January 2011 pending Federal Action

# ***Ambulance User Fees*** (4 of 4)

---

- **Potential Actions to Improve Collections or Reduce Costs**
  - **Adopt a more aggressive data collection policy (i.e. at time of service for patient identification, address, guarantee of payment, insurance, etc.)**
  - **Linkage to Hospital Data (Demographic, Billing and Clinical).**
  - **Adjust retail rate each year for Medical CPI to ensure we keep pace with inflation rather than episodically based upon Reserves.**

# ***EMS Reserves*** (1 of 2)

---

- **EMS Operating Budget FY09-10 = \$83.7 Million**
- **EMS Monthly Cash Flow FY09-10 = \$7 Million per month**
- **4 Month Reserve (33 1/3%) = \$27.9 Million**
- **3 Month Reserve (25%) = \$20.9 Million (\$7 Million less)**

# ***EMS Reserves*** (2 of 2)

---

- Other than a catastrophic (man-made or natural) Disaster; most EMS Emergencies could be accommodated with a 25% Reserve Level.
- An interruption to Ambulance User Fee Cash Flow and/or the collection of Ad Valorem would be the biggest issue in a catastrophic event.
- Our experience over the last 20 years is EMS can safely operate with a 25% Reserve Level.
- Use of EMS Reserves
  - FY07-08 = \$1.7 Million
  - FY08-09 = \$1.9 Million
  - FY09-10 (Projected) = \$7.3 Million

## ***EMS Ad Valorem*** (1 of 3)

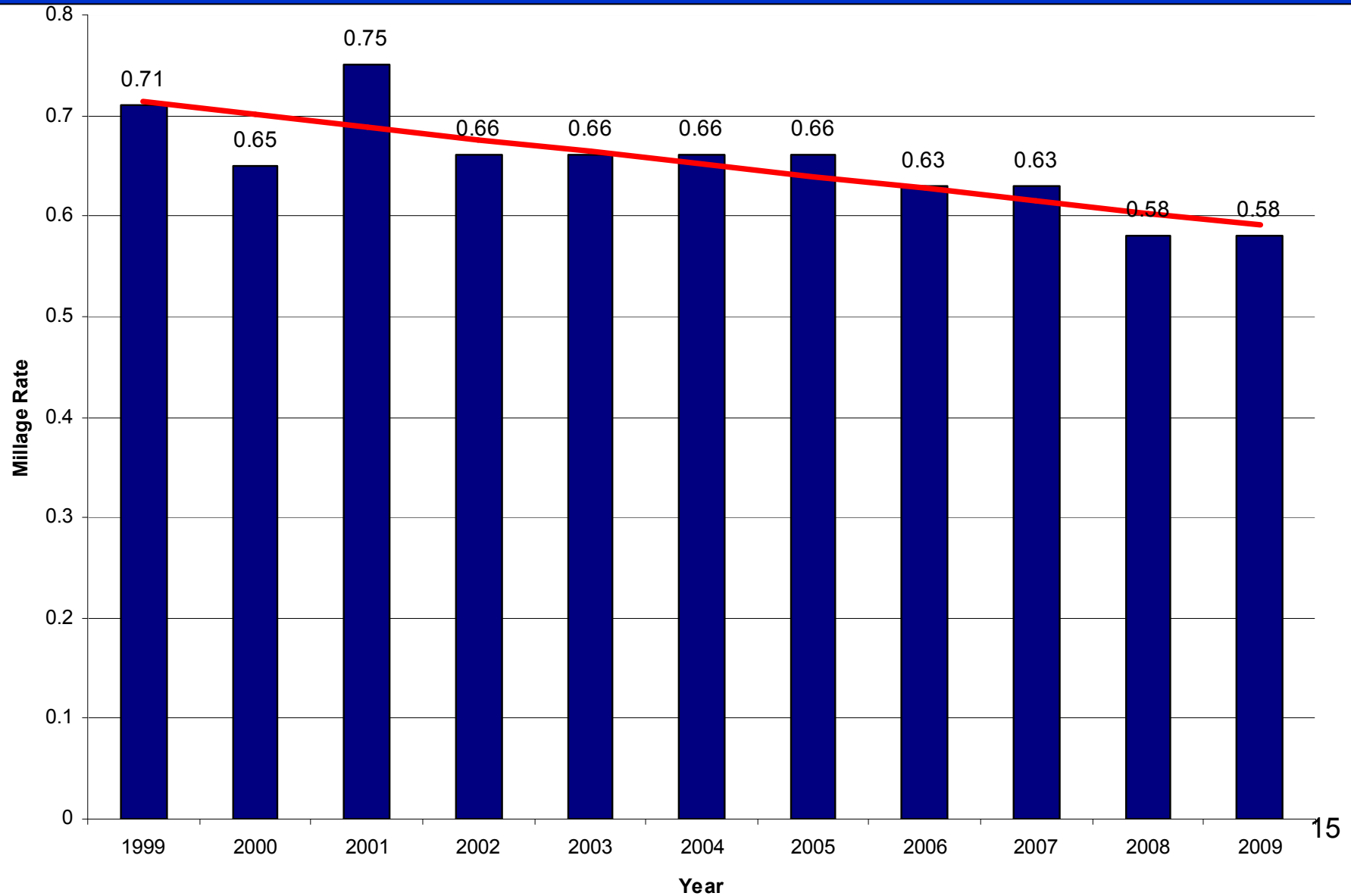
---

- **Countywide Ad Valorem for Emergency Medical Services is based upon Taxable Value of Real Property and does not include Tangible Personal Property.**
- **Given the EMS Mill does not includes Tangible Personal Property, in FY09-10 the EMS Mill was 6.45% less than an equivalent General Fund calculation. This amounted to \$2.3 Million in FY09-10.**
- **FY10-11 reflects the anticipated 12% reduction. OMB is awaiting the Property Appraiser's Final Taxable Value of Real Property on July 1, 2010.**

## ***EMS Ad Valorem*** (2 of 3)

<b><u>SCENARIOS*</u></b>	<b>Millage</b>	<b>100% Estimated Revenue</b>	<b>Difference</b>
FY09-10 Adopted Millage	0.5832	\$35,349,768	\$0
FY10-11 No Millage Adjust	0.5832	\$31,032,158	(\$4,317,610)
FY10-11 Roll-Back Rate	0.6643	\$35,349,768	\$0
FY10-11 Max Mill Rate Majority Vote	0.8487	\$45,159,459	\$9,809,691
FY10-11 2/3 Super Majority Vote	0.9336	\$49,677,001	\$14,327,233
FY10-11 Unanimous Vote	0.9337	\$49,682,322	\$14,332,554
FY10-11 Mill Cap	1.5000	\$79,815,233	\$44,465,465
* FY11 Assumes a 12% decrease in taxable value.			
The Property Appraiser's official estimates of taxable value will be available as of 07/01/10.			

# ***EMS Ad Valorem (3 of 3)***



# Consideration of Options

- Gap (Revenue @100% - Expense) in FY10-11 = \$13.6 M
- Based upon OMB Revenue Forecast and Initial ALS First Responder Budget Submissions

OPTIONS	1	2	3	4
EMS Reserves	No Change Maintain 33 1/3%	No Change Maintain 33 1/3%	Change Reserve to 25%; \$7.2 M	Change Reserve to 25%; \$7.2 M
User Fees	No Change Maintain Retail Rate	Regional Retail Rate up 10.15%; \$1.4 M	No Change Maintain Retail Rate	Regional Retail Rate up 10.15%; \$1.4 M
Ad Valorem	0.5832 to 0.8590 (0.2758 or 47%) \$14.0 M	0.5832 to 0.8310 (0.2478 or 43%) \$12.6 M	0.5832 to 0.7140 (0.1308 or 22%) \$6.6 M	0.5832 to 0.6860 (0.1028 or 18%) \$5.2 M
Ad Valorem \$ Increase *	\$39.99	\$35.93	\$18.97	\$14.91

\* - Based upon a Countywide Median Taxable Value of \$145,000



# ***Next Steps***

---

- **Await Property Appraiser's Final Assessed Values and Revenue Forecasts**
- **Finalize ALS First Responder Budgets**
- **Direct us to Adjust the Ambulance Fee Schedule effective**
  - **July 1, 2010, or**
  - **October 1, 2010**
- **Direct us to Adjust County Ordinance 88-12 for Reserves**
- **Await Results of the EMS Study**

