



CITY OF CENTERVILLE

312 East Maple St, PO Box 578
Centerville, IA 52544
www.centerville-ia.org
Phone: (641) 437-4339 Fax: (641) 437-1498

Agenda Item # City Admin Report
Council Meeting Date: 08/17/2020

COUNCIL ACTION FORM

AGENDA ITEM: FY20 Ambulance Service End-of-year update

Call Volume

End-of-year numbers pulled from our reporting system showed the Centerville Fire Rescue (CFR) responded to 1418 ambulance calls in FY20 (JUL 1, 2019-JUN 30, 2020). This figure is more than 13% higher than our initial projection of 1250.

Attached is a breakdown of the types of calls that CFR has responded to over the course of the last fiscal year (Total Record Volume By Disposition).

Expense:

Operating costs for CFR for FY20 were \$667,405.11. This figure is pulled from the City's accounting system using standard account descriptions of expenses. The FY20 cost report is attached (Budget Report – Calendar 6/2020, Fiscal 12/2020).

Not included in this figure is the Capitalized costs to include the cost of Ambulances, cots, Life packs.

- Capitalized expense of Ambulance 1 (\$27,658.13) (8 year lifespan with purchase price of \$221,265)
- Capitalized expense of Ambulance 2 (\$21,733.13) (8 year lifespan with purchase price of \$173,865)
- Capitalized expense of Lifepack (\$13,759.54) (5 year lifespan anticipated with a \$68,797.68 purchase price)

Factoring in capitalized expenses, the total operating cost for CFR for FY20 was \$730,555.91.

Revenue:

There are two different methods for considering revenue for the service in FY20. The first being from the City's accounting system which takes a snapshot of expenses and revenue that occurred during the timeframe of FY20. The second method is to look at expense occurrence month paired with the reimbursement for that expense. The second method accommodates services that are provided in the Fiscal year, but may not be reimbursed for multiple months after the service was provided.



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Utilizing the City of Centerville system, the total revenue for FY20 was \$529,653.13 (Revenue Report - Calendar 6/2020, Fiscal 12/2020). This results in a net deficit of \$200,902.78.

In 2017 before this service was established, the City and the County were approached by Midwest Ambulance service to provide a \$250,000 subsidy to support their ambulance operations. Based on other service agreements in the state, that figure likely would have increased by 4 -17% per annum based on the low end of that figure, the FY20 rate for commercial service would have been between \$270,400 - \$345,225. Based on those assumptions, CFR has outperformed the likely expense by approximately \$70,000.

Since August of 2017 when the City Council approved the establishment of the Centerville Fire Rescue ambulance service, many other cities have been faced with the same decision. Below is a brief breakdown of the current agreements that other cities have entered with commercial services.

Grinnell – Agreement with CARE Ambulance (4% increase per year) – In March of 2019 the City of Grinnell entered into an agreement with CARE Ambulance. The agreement only covered the City of Grinnell and a limited amount of the surrounding township. The subsidy provided by Grinnell to CARE Ambulance annually is (listed as Fiscal year, but runs from April 1 to March 30):

FY20 – \$132,500
FY21 – \$137,500
FY22 – \$142,500
FY23 – \$147,500

Charles City and AMR (17% increase per year): In July of 2020, Charles City and Floyd County renewed their contract with AMR ambulance service. The subsidy provided by Charles City annually is:

FY 21 - \$150,000
FY 22 - \$175,000
FY 23 - \$200,000

In addition to a subsidy, the City of Charles City also provides ambulance drivers and storage space for trucks and equipment, also space for an office, bunk house, storage, meeting room, including kitchen and shower access. Additionally, Floyd County provides free dispatch service. The contract allows for AMR to use the ALS ambulance for transfers which is only backed up by BLS service



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Fairfield and CARE Ambulance (10% increase per year) In March of 2020, the City of Fairfield, Jefferson County, and Jefferson County Hospital entered into an ambulance service agreement with CARE ambulance. The agreement guarantees the provision. The total subsidy provided by the three entities annually is:

FY21 - \$300,000

FY22 - \$330,000

FY23 - \$360,000

Additionally, the City of Fairfield was required to purchase and supply two ambulances for the service.

Administration:

During the annual Audit that occurred in early August, the Administrator met with the Auditors. They provided recommendations of reports that would be beneficial to use as a review of cost vs. revenue. These recommendations were reflected in the FY19 Audit. The Administrator has established a monthly review process which will likely have the issue removed from our FY20 Audit.

Sewer Loan:

The City was able to make an initial repayment of \$250,000 to the Sewer fund in FY19 and an additional payment of \$50,000 in FY20. This leaves the remaining balance for the Sewer fund loan as \$200,000 plus interest with three years remaining on the term.

Challenges:

GEMT: Since the service was new in 2018, the City does not yet have the financial data to join the Ground Emergency Medical Transportation (GEMT) reimbursement program. The largest payers of ambulance expenses is Medicare and Medicaid contributing nearly 55% of our annual dollars received. The GEMT program would likely decrease the write-off cost of those calls and increase our reimbursement from those entities and thereby reduce our overall revenue/expense gap.

Staffing: Staffing remains a statewide challenge for all EMS programs. We are fortunate to have 8 full-time staff and a deep bench of PRN. That may not always be the case and recruitment of new staff and PRN may be difficult going forward.

Space: We are currently able to accommodate both Fire and EMS operations from our current facilities. As we look into future program possibilities (i.e. transfers) we will have to



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review options for providing more space. There are many possibilities for this, but nothing concrete at this time.

Transfers: Inter-facility transfers could serve as a good way to generate revenue in order to meet budget needs. We currently lack the staff and the equipment to ensure that we can consistently cover both City requirements and support transfers. Our staff has provided limited transfer support to MercyOne. To make it a long-term operation for us, we would need the following:

- An agreement with MercyOne to provide Transfer Service
- Another Ambulance, likely a more cost effective transport model
- Additional staff to support Transfer operation. This could be PRN staff, but it would need to be a dedicated supply of staff.

EMS Levy: Depending on how the current pending reimbursements, GEMT, and a transfer program play out, it may be necessary to appeal to the voters to create an EMS levy. This would help defray costs that are currently covered by Centerville residents through property taxes across all residents who are in the EMS coverage area. This effort is becoming more likely, but it is advised to wait until we have a second fiscal year of data to determine if this effort is needed.

Additional Ambulance: Response to COVID-19 has shown that we may have a response limitation with our ambulances in certain situations. Specifically, in a scenario where an ambulance is in for repairs and there is a COVID likely ambulance transport. In this scenario, our cleaning requirements due to COVID may limit our ambulance availability requiring us to fall back on other services. As a possible solution to the issue, the Administrator has tasked Chief Bogle to get quotes for an additional transport ambulance. This acquisition may be reimbursable by FEMA or State of Iowa COVID money as it would be in direct support of our Coronavirus capacity.

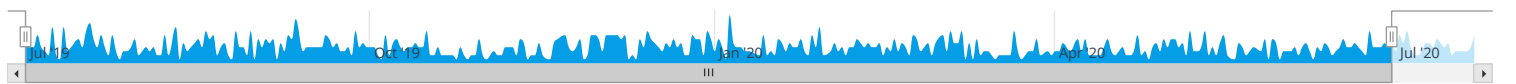
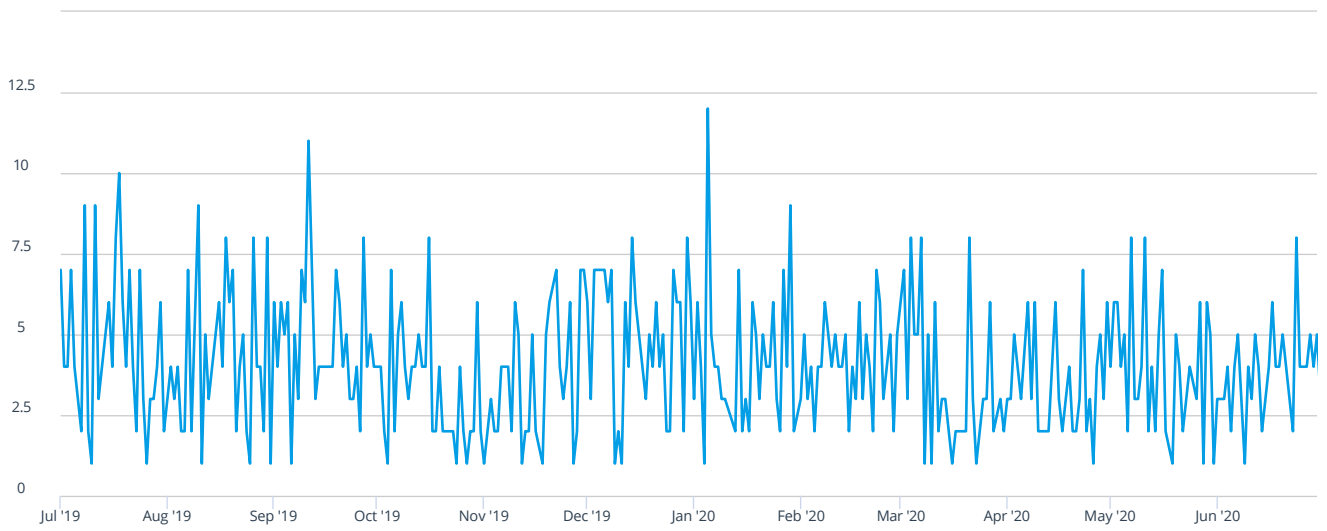
Custom ▾ Jul 1, 2019 - Jun 30, 2020 ▾

66%
TRANSPORTS
Percentage of Patient Encounters

23%
NON TRANSPORTS
Percentage of Patient Encounters

1,418
RECORDS
In Selected Time Slice

366
DAYS
In Selected Time Slice



Counts % Rows % Columns % All

	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Total
Cancelled (No Patient Contact)											2	3		5
Cancelled (Prior to Arrival at Scene)	1	5	4	5	3	3	2	1	1	3	2	1		31
Cancelled on Scene/No Patient Found	3	2	3	2	5	4	3	2	1	2				27
Patient Dead on Scene - No Resuscitation Attempted (Without Transport)	2			2	1	2				5		1		13
Patient Dead on Scene - Resuscitation Attempted (Without Transport)		2	1				1	3			1	1		9
Patient Evaluated, No Treatment/Tra.. Required	7	9	5	8	2	6	7	8	5	5	5	10		77
Patient Refused Evaluation/Ca... (Without Transport)	18	21	18	19	15	26	13	11	16	14	26	26		223
Patient Treated, Released (AMA)	1		3	3	3	2		2	1	1	3	5		24
Patient Treated, Transported by Law Enforcement		2				2				1		1		6
Patient Treated, Transported by Private Vehicle		1	1					1		2				5
Standby - No Service or Support Provided											1	1		2
Standby - Public Safety, Fire, or EMS Operational Support Provided	6	1	6	4	7	7	3	8	13	1	2	2		60

	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Total
Transported Lights/Siren	14	8	16	3	10	14	5	10	11	6	4	7		108
Transported No Lights/Siren	87	75	77	53	52	87	87	72	53	57	70	57		827
Transported No Lights/Siren, Upgraded								1						1
Total	139	126	134	99	98	153	121	119	101	97	116	115		1,418

Analysis of Ambulance Cost vs. Revenue										
Month	Year	Tickets	Billed	Reduced	Collected	Pending	Uncollected	Cost	Difference Cost/Collected	% Pending
November	2018	0	0	0	0	0	0	\$ 400,161.13	\$ 400,161.13	
December	2018	3	\$3,591.00	\$2,166.00	\$1,332.94	\$92.06	\$0.00	\$ 96,850.80	\$ 95,517.86	2.56%
January	2019	126	\$109,958.37	\$68,996.05	\$30,228.88	\$7,611.98	\$3,121.46	\$ 48,684.50	\$ 18,455.62	6.92%
February	2019	99	\$95,209.24	\$59,605.10	\$28,551.18	\$7,052.96	\$1,126.00	\$ 44,519.58	\$ 15,968.40	7.41%
March	2019	117	\$109,565.28	\$67,388.52	\$31,612.78	\$10,563.98	\$3,602.00	\$ 46,852.27	\$ 15,239.49	9.64%
April	2019	121	\$110,311.32	\$67,881.39	\$36,687.44	\$5,742.49	\$196.46	\$ 40,572.04	\$ 3,884.60	5.21%
May	2019	124	\$114,473.36	\$65,367.01	\$36,157.73	\$12,948.62	\$4,515.14	\$ 58,153.12	\$ 21,995.39	11.31%
June	2019	133	\$129,350.33	\$82,195.89	\$43,294.56	\$3,859.88	\$1,625.60	\$ 47,943.12	\$ 4,648.56	2.98%
Totals		720	\$ 668,867.90	\$ 411,433.96	\$ 206,532.57	\$ 47,779.91	\$14,186.66	\$ 286,724.63	\$ 80,192.06	7.14%

Month	Year	Tickets	Billed	Reduced	Collected	Pending	Uncollected	Cost	Difference Cost/Collected	% Pending
July	2019	140	131,229.38	82,003.01	37,014.40	\$12,211.97	\$4,522.16	45,150.22	\$ 8,135.82	9.31%
August	2019	130	106,036.43	67,465.74	30,889.92	\$7,680.77	\$2,291.00	47,425.54	\$ 16,535.62	7.24%
September	2019	134	140,902.40	95,796.61	43,520.47	\$1,585.32	\$1,146.00	57,252.25	\$ 13,731.78	1.13%
October	2019	99	79,819.43	52,878.31	21,989.53	\$4,951.59	\$1,386.55	69,337.87	\$ 47,348.34	6.20%
November	2019	98	88,422.36	50,361.17	28,592.00	\$9,469.19	\$244.72	56,541.89	\$ 27,949.89	10.71%
December	2019	153	143,308.54	86,792.31	35,885.89	\$20,630.34	\$0.00	48,982.43	\$ 13,096.54	14.40%
January	2020	121	119,930.29	68,147.62	36,922.85	\$14,859.82	\$0.00	65,200.80	\$ 28,277.95	12.39%
February	2020	119	121,468.33	60,884.64	33,109.43	\$27,474.26	\$0.00	54,901.31	\$ 21,791.88	22.62%
March	2020	101	87,989.37	39,098.69	26,368.82	\$22,521.86	\$0.00	47,029.50	\$ 20,660.68	25.60%
April	2020	97	81,875.33	43,926.54	27,276.02	\$10,672.77	\$0.00	67,554.18	\$ 40,278.16	13.04%
May	2020	116	100,498.41	35,302.04	20,804.94	\$44,391.43	\$0.00	54,652.63	\$ 33,847.69	44.17%
June	2020	115	91,490.49	7,465.02	4,363.58	\$79,661.89	\$0.00	53,376.49	\$ 49,012.91	87.07%
Totals	2019	1423	\$1,292,970.76	\$690,121.70	\$346,737.85	\$256,111.21	\$9,590.43	\$667,405.11	\$320,667.26	19.81%

CASH RECEIPTS SUMMARY BY PAYER GROUP

Company Code	Equal	CENTERVILLE FIRE RESCUE
Transaction Date	GreaterThanOrEqualTo	7/1/2019
Transaction Date	LessThanOrEqualTo	6/30/2020
System Transaction Type	Equal	Payment

Payer Group Description	Total Payments	
BCBS	(\$54,755.22)	12.8 %
HMO	(\$59,017.63)	13.7 %
Liability Ins	(\$5,276.84)	1.2 %
MCO Medicaid	(\$35,923.95)	8.4 %
Medicaid	(\$929.58)	0.2 %
Medicare	(\$196,695.44)	45.8 %
Patient	(\$22,992.69)	5.4 %
Private Insurance	(\$34,871.20)	8.1 %
Veterans Administration	(\$12,241.65)	2.9 %
Worker Compensation	(\$6,572.15)	1.5 %
Totals	(\$429,276.35)	

