

CITY COUNCIL STUDY SESSION

Monday, June 14, 2021

Held Electronically

View on Channel 9 or Channels 180 and 181 (for Charter Communications customers)
or live stream via rvtv.sou.edu select RVTV Prime.

5:30 p.m.

Mayor Akins called the Study Session to order at 5:30 PM.

Councilors' Graham, Hyatt, Seffinger, Jensen, Moran and DuQuenne were present.

1. Ambulance Service Analysis Review

Interim City Manager Adam Hanks gave a brief Staff report. Hanks introduced Interim Fire Chief Ralph Sartain and the Public Consulting Group (PCG). Members of the PCG were Charley, Ken Riddle, Tim Nowak and Corinne Willis.

Charley went over a PowerPoint presentation Regarding Ambulance Transportation Service Cost (*see attached*). Items discussed were:

- Executive Summary.
- Ambulance Service Operations.
- Process and Key Elements.
- Background Information.
- Study Objections – Quantitative vs. Qualitative.
- Impacts.
- Bench Marking Guidelines:
 - Primary Standards.
 - ISO Rating Distribution.
 - ISO – AF&R Review
- NFPA Overview.
- NFPA Impact.
- Overall Budget Expenditures.
- Personnel and Shared Costs.
- Ambulance Revenue.
- Charges and Payments.
- Net Cost.
- Operations Qualitative Analysis.
- Summary of Findings and Recommendations.

Council discussed options and cost.

Council discussed the quality and quantity of service.

Council discussed staffing and the options of volunteers.

Council discussed response times.

Moran requested Mercy Flights to come and give a presentation.

2. Look Ahead Review

3. Adjournment

The Study Session was adjourned at 7:00 PM.

Respectfully Submitted by:

City Recorder Melissa Huhtala

Attest:

Mayor Akins

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Administrator's office at (541) 488-6002 (TTY phone number 1-800-735-2900). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title I).

FINAL REPORT PRESENTATION

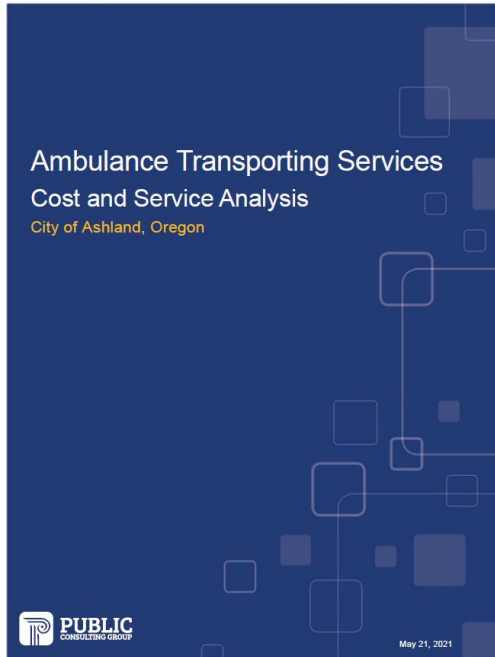
Ambulance Transporting Services Cost and Service Analysis City of Ashland, OR



Date, 2021

**Thank you for choosing Public
Consulting Group**

Your Report



- SECTION I: EXECUTIVE SUMMARY
- SECTION II: METHODOLOGY
- SECTION III: BACKGROUND
- SECTION IV: BENCHMARKING GUIDELINES
- SECTION V: QUANTITATIVE (FINANCIAL) ANALYSIS
- SECTION VI: OPERATIONS (QUALITATIVE) ANALYSIS
- SECTION VII: SUMMARY OF FINDINGS AND RECOMMENDATIONS
- APPENDICES

Terms/Abbreviations

- AF&R – Ashland Fire & Rescue
- ASA – Ambulance Service Area
- ALS – Advanced Life Support
- ISO – Insurance Services Office
- NFPA – National Fire Protection Association
- CAD – Computer-Aided Dispatch

SECTION I: EXECUTIVE SUMMARY

City of Ashland, OR

Key Point



- **Ambulance Service Operations**
 - (Total Department Budget: \$10,040,008)
 - Expenses: \$2,267,063
 - Revenues: \$1,300,000 (average)
 - **Net Cost: \$840,000 (average)**

SECTION II: METHODOLOGY

City of Ashland, OR

Process / Key Elements

- Kickoff Meeting
- Stakeholder Interviews
- Data Collection
- Background Research
- Approach to Financial (Quantitative) Analysis
- Approach to Operational (Qualitative) Analysis
- Approach to Findings and Recommendations

SECTION III: BACKGROUND

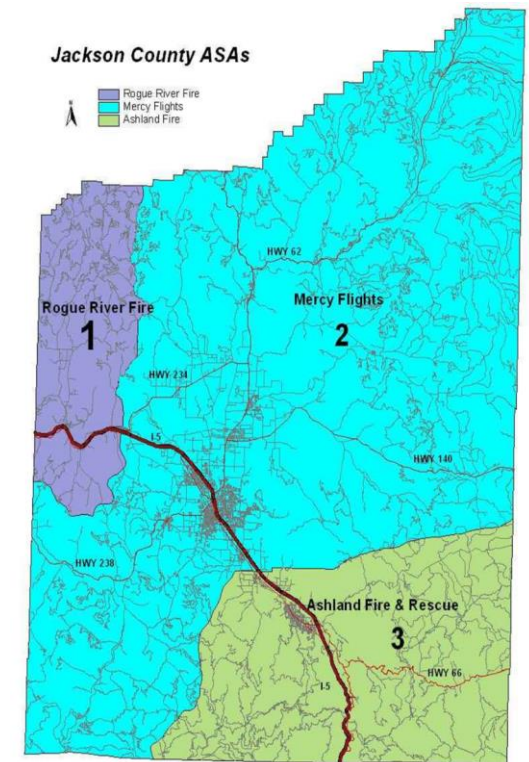
City of Ashland, OR

Study Objectives

- **Quantitative** – Understand all revenues and expenses related to ambulance service operations, determine the potential level of subsidy of the service, and identify any potential cost savings if the ambulance service is discontinued
- **Qualitative** – Identify the potential effects on the mission of AF&R if the ambulance services were discontinued, how future operations may be affected with the potential elimination of ambulance services, and a recommendation on department staffing solutions in the potential absence of the ambulance service

Impact

The decision to discontinue the ambulance service will affect not only the residents of the City of Ashland, but also the residents in areas surrounding Ashland.



SECTION IV: BENCHMARKING GUIDELINES

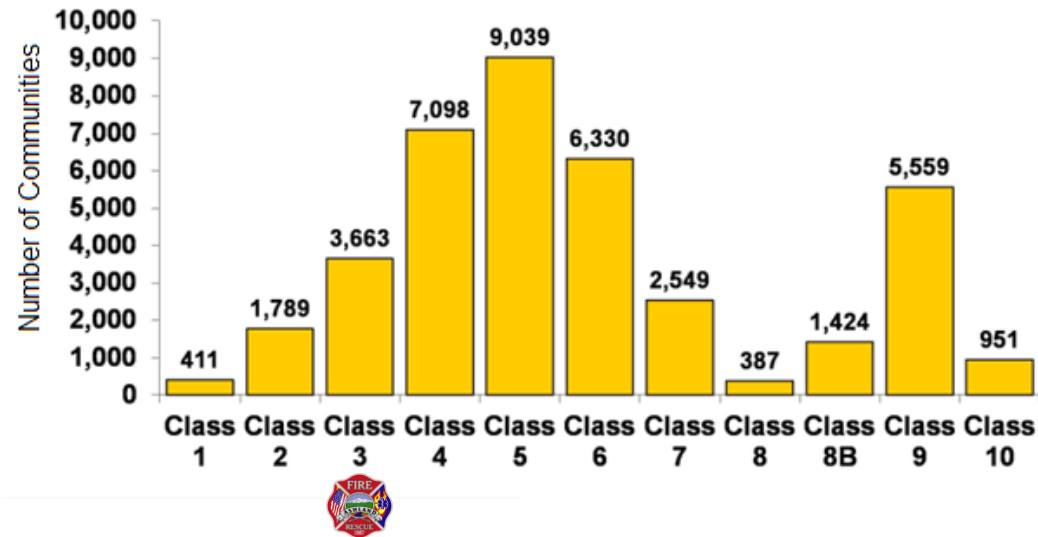
City of Ashland, OR

Primary Standards

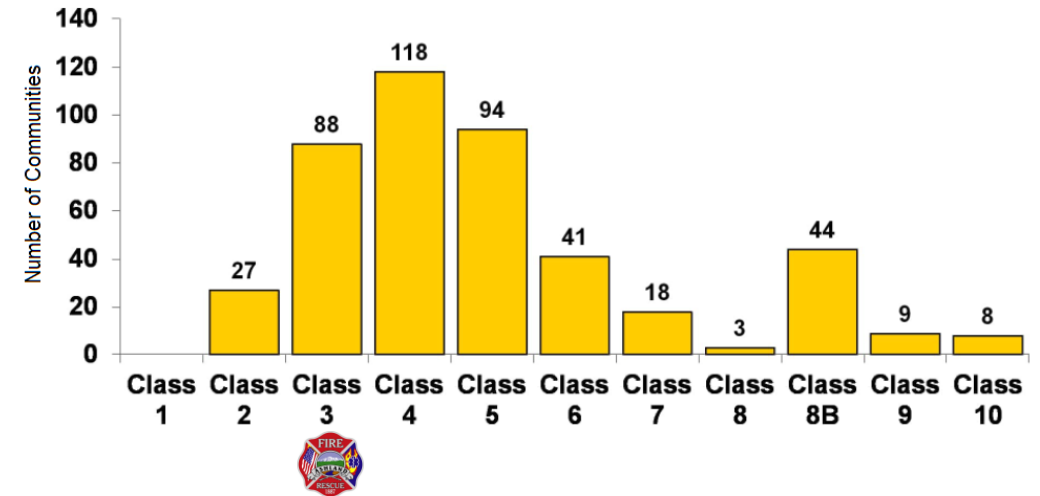
- **Insurance Services Office (ISO)** – 1-10 (*1 as the best rating*) rating for insurance premiums, based on emergency communications, fire department resources, water supply, and community risk reduction efforts within a community
 - **AF&R currently has a rating of 3**
- **National Fire Protection Association (NFPA)** – Establishing standards and code for fire departments to adopt/follow (*e.g., NFPA 1710 – Standard for Organization and Deployment of Fire Suppression Operations ... by Career Fire Departments*) and communities to adhere to or reference (*e.g., NFPA 1 – Uniform Fire Code*)

ISO Rating Distribution

National ISO Fire Rating Distribution



Fire ISO Rating Distribution in the State of Oregon



ISO – AF&R

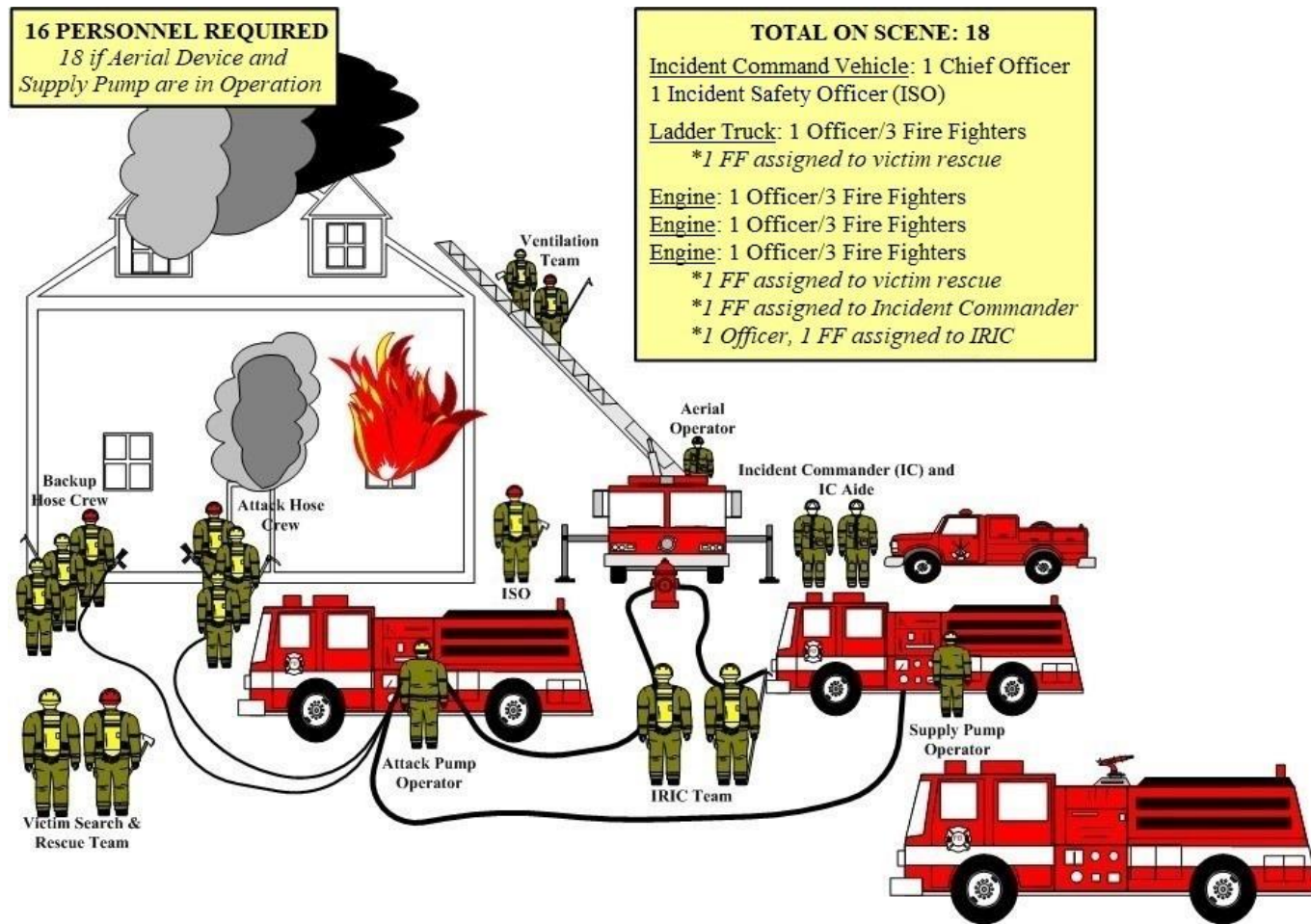
- **2015 Review: Class 3 Rating**
 - Emergency Communications: 8.59 / 10 points (85.9%)
 - Fire Department: 33.46 / 50 points (66.9%)
 - Staffing: 7.5 / 15 points (50%)
 - Water Supply: 35.38 / 40 points (88.5%)
 - Community Risk Reduction: 5.06 / 5.5 points (92%)

NFPA Overview

- NFPA 1710 Standards:
 - Arrival of first fire engine at a fire: 4 min. or less, 90% of the time
 - Arrival of second fire engine: 6 min., 90% of the time
 - Deployment of a full first-alarm assignment: 8 min., 90% of the time



NFPA Overview



NFPA Impact

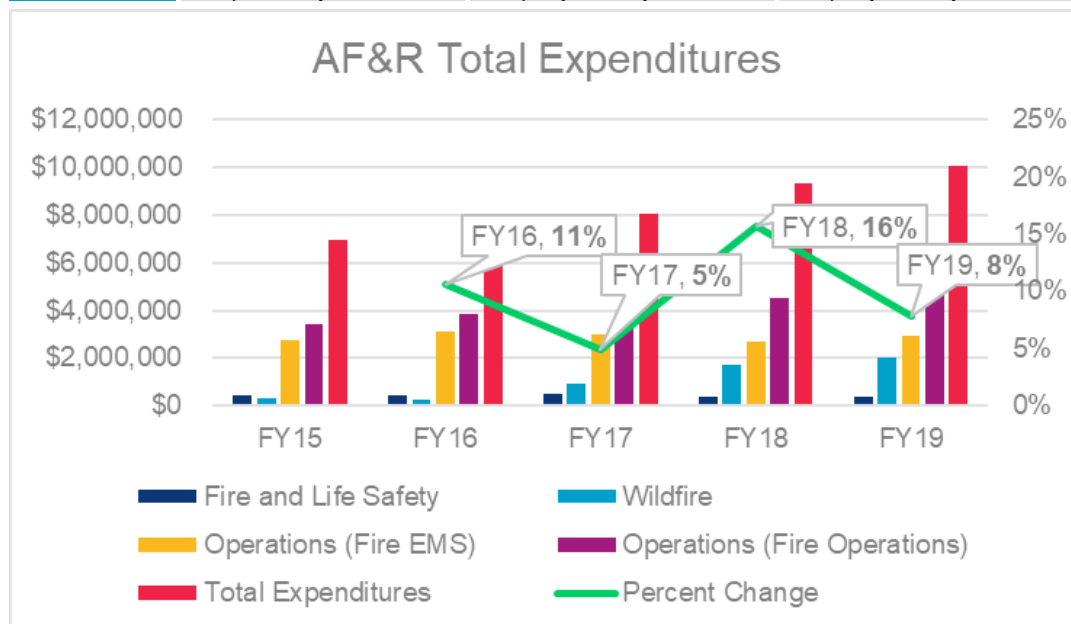
- AF&R does not meet the staffing provisions of NFPA 1710 without the assistance of mutual aid from local fire departments
 - This includes counting the current staffing on responding AF&R ambulances (2 personnel / firefighters)
 - Current daily staffing for AF&R is 8 personnel

SECTION V: QUANTITATIVE (FINANCIAL) ANALYSIS

City of Ashland, OR

Overall Budget Expenditures

	Fire and Life Safety	Wildfire	Operations (Fire EMS)	Operations (Fire Operations)	Total Expenditures
FY15	\$410,554	\$311,440	\$2,768,370	\$3,441,963	\$6,932,327
FY16	\$414,222	\$274,693	\$3,142,446	\$3,835,605	\$7,666,966
FY17	\$527,106	\$938,589	\$2,968,292	\$3,612,630	\$8,046,617
FY18	\$382,011	\$1,717,786	\$2,693,808	\$4,516,694	\$9,310,299
FY19	\$385,320	\$1,998,197	\$2,912,383	\$4,744,108	\$10,040,008



FY 2018-2019
Total Expenditures for
Ambulance Operations

\$2,267,063

Personnel & Shared Costs

	Total Operations Personnel Costs	Ambulance Personnel Costs
FY15	\$4,706,082	\$1,418,403
FY16	\$4,845,552	\$1,498,209
FY17	\$4,919,705	\$1,604,004
FY18	\$5,399,631	\$1,742,770
FY19	\$5,894,849	\$1,876,224

Values based on CAD data and call % allocated to EMS response & transport

	Total Other Shared Costs	Ambulance Shared Costs
FY15	\$129,294	\$38,969
FY16	\$163,613	\$50,588
FY17	\$133,224	\$43,436
FY18	\$183,600	\$59,258
FY19	\$151,366	\$48,177

Ambulance Revenue

	911 Transports		Interfacility-Transfers		AF&R Ambulance Membership Program		Total Ambulance Revenue
FY15	\$1,017,293	93.6%	\$836	0.1%	\$69,117	6.4%	\$1,087,246
FY16	\$1,089,835	93.8%	\$3,250	0.3%	\$68,267	5.9%	\$1,161,352
FY17	\$1,187,678	94.2%	\$4,646	0.4%	\$68,558	5.4%	\$1,260,883
FY18	\$1,061,335	93.9%	\$4,124	0.4%	\$65,132	5.8%	\$1,130,591
FY19	\$1,119,974	94.0%	\$5,468	0.5%	\$66,050	5.5%	\$1,191,492



Charges & Payments

	Trips	Gross Charges	Contract Allow	Net Charges	Payments
FY16	2,068	\$2,329,765	\$1,158,313	\$1,171,451	\$992,886
FY17	2,205	\$2,501,085	\$1,277,595	\$1,223,490	\$1,039,694
FY18	2,120	\$2,394,233	\$1,267,111	\$1,127,122	\$954,093
FY19	2,085	\$2,423,855	\$1,223,857	\$1,199,998	\$1,007,568

Payor Type	Average Annual Trips	Payor Mix by Trips	Average Annual Payment	Payor Mix by Billing Payments
Medicare	1,299	61%	\$523,114	52%
Medicaid	385	18%	\$134,091	13%
Insurance	301	14%	\$301,744	30%
Facility Contract	32	2%	\$24,364	2%
Bill Patient	104	5%	\$15,246	2%

Net Cost

	Ambulance Expenditures	Ambulance Revenue	Net Cost
FY15	-\$1,760,231	\$1,087,246	-\$672,985
FY16	-\$1,881,099	\$1,161,352	-\$719,747
FY17	-\$1,994,551	\$1,260,883	-\$733,668
FY18	-\$2,133,123	\$1,130,591	-\$1,002,532
FY19	-\$2,267,063	\$1,191,492	-\$1,075,571

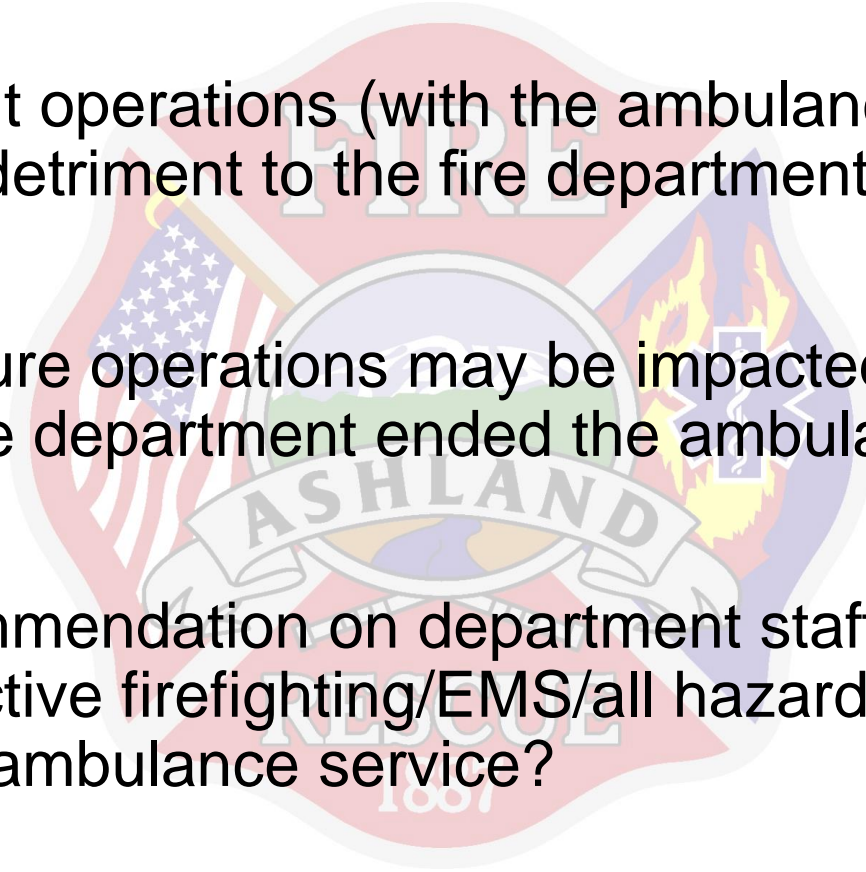
5-year average Net Cost to operate ambulance services: **\$840,900**

SECTION VI: OPERATIONS (QUALITATIVE) ANALYSIS

City of Ashland, OR

Operations Analysis Focus

- Identify if current operations (with the ambulance service) are either enhanced or a detriment to the fire department's mission.
- Identify how future operations may be impacted (positively or negatively) if the department ended the ambulance transport service.
- What is a recommendation on department staffing levels that will provide an effective firefighting/EMS/all hazards response force in absence of the ambulance service?



Analysis

- Ambulance transport is an **enhancement**, not a detriment, for the City
- If ambulance transport services are discontinued, there would be **additional costs** such as fuel consumption, increased apparatus maintenance costs, etc.
- If ambulance transport services are discontinued, it will **cut the department's ability** to respond to concurrent calls by 50%
- If ambulance transport services are discontinued and staffing levels decrease accordingly (4 personnel daily), the City's **ISO rating will likely (negatively) increase** to a 4 or 5 rating

SECTION VII: SUMMARY OF FINDINGS AND RECOMMENDATIONS

City of Ashland, OR

Summary

- Finding: Average Annual Net Cost for Ambulance Operations: \$840,900
- Recommendation: If ambulance transport services are discontinued, the respective assigned personnel (4 daily) should be reassigned to current engine companies in order to meet NFPA standards
- Projection: If ambulance services were to be offered separately by the City, the overall cost of service would increase

City vs. FD Ambulance Operations

Estimated Annual Expenditures of a Separately Operated City Ambulance Service		Actual Annual Expenditures of AF&R Ambulance Service (FY19)	
Personnel Costs	\$2,475,240	Personnel Costs	\$1,876,224
Operating Costs (based on FY19 actuals)	\$390,839	Operating Costs	\$390,839
Estimated Total Annual Expenditures	\$2,866,079	Actual Total Annual Expenditures	\$2,267,063

Additional Annual Cost for City-Operated (New) Ambulance Service:
\$599,016

Ambulance Privatization

- Not a recommendation
 - Loss of program revenue (e.g., transport billing, membership)
 - Loss of local control (e.g., medical protocols, operations, staffing)
 - Loss of continuity of patient care

Q&A