

ALS Subcommittee

Medic One/EMS Levy Planning

Tuesday, February 13, 2018

1:00 PM – 3:00 PM

Renton Regional Fire Authority, Station #14
1900 Lind Ave. SW, Renton, WA 98057

Chair: Keith Scully, Councilmember, City of Shoreline

Agenda

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|---|--|---------------------|
| ➤ | Opening Remarks & Introductions | 1:00-1:05 (5 min.) |
| ➤ | Roles and Responsibilities Discussion | 1:05-1:15 (10 min.) |
| ➤ | Principles Discussion | 1:15-1:25 (10 min.) |
| | EMS Stakeholder Principles | |
| | ALS Subcommittee Principles | |
| ➤ | Financial Review and Discussion | 1:25-2:10 (45 min.) |
| ➤ | ALS Work Plan Review and Discussion | 2:10-2:55 (45 min.) |
| ➤ | Next Steps | 2:55-3:00 (5 min.) |
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Future ALS Subcommittee Meetings

Tuesdays, 1:00 p.m. – 3:00 p.m. at various locations

March 15, 2018*	TBD
April 10, 2018	2100 24 th Ave. S (Community Room A) Seattle, WA 98144
May 8, 2018	2100 24 th Ave. S (Community Room A) Seattle, WA 98144
June 12, 2018	2100 24 th Ave. S (Community Room A) Seattle, WA 98144
July 10, 2018	TBD
August 14, 2018	TBD
September 11, 2018	TBD
October 9, 2018	TBD

**Note: The ALS Subcommittee Meeting date is revised.*

EMS STAKEHOLDER PRINCIPLES

As regional EMS Stakeholders, we are committed to these fundamental principles:

1. REGIONAL SYSTEM

The Medic One/EMS system is based on partnerships that are built on regional, collaborative, cross-jurisdictional coordination. This seamless cohesion allows the system to excel in pre-hospital emergency care.

2. TIERED MEDICAL MODEL

The medical model, with its tiered system and intensive dispatch, EMT and paramedic training and protocols, has led to our success in providing high quality patient care throughout the region.

3. PROGRAMS & INNOVATIVE STRATEGIES

State of the art science-based strategies and programmatic leadership have allowed us to meet the needs and expectations of our residents and our system.

4. FOCUS ON COST EFFECTIVENESS AND EFFICIENCIES

The Medic One/EMS system has maintained financial viability and stability due to the region's focus on operational and financial efficiencies, effectiveness and cost savings.

5. MAINTAINING AN EMS LEVY AS FUNDING SOURCE

The EMS levy is a reliable and secure source of funding our world-renowned system.

ALS SUBCOMMITTEE GUIDING PRINCIPLES

As members of the ALS Subcommittee, we remain committed to these fundamental principles:

1. Maintain ALS as the funding priority.

ALS will remain the primary recipient of the Medic One/EMS Levy and the first commitment for funding within the Medic One/EMS system.

2. ALS' primary focus is patient-centric.

Decisions regarding ALS services will be with a view to patient outcomes.

3. Full unit funding will be made available.

Full reimbursement for all eligible ALS costs.

4. Resources will be used efficiently.

ALS will maintain high-quality services in our communities, be responsive to emergent needs and do so with reasonable costs evaluated through system-wide analysis.

5. Use data and sound practices in evaluating service needs.

Conduct analysis in alignment with sound practices.

Medic One/EMS Strategic Plan & Levy Re-authorization
PROPOSED - ALS Subcommittee Work Plan

(For review at February 13, 2018 ALS Subcommittee Meeting)

Tasks: To develop Advanced Life Support (ALS) programmatic recommendations that will work cohesively with the other program areas to ensure the integrity of the world-class Medic One/EMS system is maintained. Components and considerations include:

- Projected Demand Analysis:
 - Current system needs
 - Future system and/or new services needs
- Unit Allocation:
 - ALS costs
 - Full funding and eligible costs
 - Cost methodology/unit cost model
- Anticipation of new challenges
- Financial plan, reserves, contingencies; inflators
- Cost efficiencies, system effectiveness, and best practices
- Outlying areas

*New items in *italics* | Last Updated: 02-12-2018

Meeting Date/Times	ALS Subcommittee Work Plan Activities
ALS Subcommittee Mtg. #1: Feb. 13, 2018, Tues. 1-3 PM	1. Roles and Responsibilities 2. Fundamental Principles 3. ALS Work Plan Review and Discussion 4. ALS Finances Review
ALS Subcommittee Mtg. #2: Mar. 15, 2018, Thurs. 1-3 PM	1. Unit Allocation: <ul style="list-style-type: none"> - Review ALS costs - Review cost methodology and unit cost model - Overview of reserves 2. Cost Efficiencies and Effectiveness: <ul style="list-style-type: none"> - Review ALS program for cost efficiencies, system effectiveness, and best practices 3. Projected Demand Analysis
ALS Subcommittee Mtg. #3: Apr. 10, 2018, Tues. 1-3 PM	1. Financial Plan: <ul style="list-style-type: none"> - Discuss equipment costing - Discuss contingencies and reserves - Discuss inflators

Meeting Date/Times	ALS Subcommittee Work Plan Activities
	2. Projected Demand Analysis: <ul style="list-style-type: none"> - Review methodology, policy and guidelines to identify service projections - Determine options to meet forecasted service needs - <i>Outcomes as criteria*</i> 3. Cost Efficiencies, Effectiveness, and <i>Best Practices*</i> 4. Finalize preliminary recommendations for review
Finance Subcommittee Mtg.: Apr. 19, 2018, Thurs. ----- Task Force Mtg.: Apr. 26, 2018, Thurs.	1. Present findings to-date 2. Review new economic forecasts 3. Financial review of “status quo” ----- 1. Subcommittee preliminary findings to date 2. Update on economic “status quo” 3. Levy issues discussion
ALS Subcommittee Mtg. #4: May 8, 2018, Tues. 1-3 PM	1. Financial Plan (continued): <ul style="list-style-type: none"> - Discuss equipment costing - Discuss contingencies and reserves - Discuss inflators 2. Projected Demand Analysis (continued): <ul style="list-style-type: none"> - Review methodology, policy and guidelines to identify service projections - Determine options to meet forecasted service needs - <i>Outcomes as criteria*</i> 3. Finalize draft recommendations for review
ALS Subcommittee Mtg. #5: June 12, 2018, Tues, 1-3 PM	1. Cost Efficiencies, Effectiveness, and <i>Best Practices*</i> 2. KCFD #50 Skykomish Contract 3. Outlying areas
ALS Subcommittee Mtg. #6: July 10, 2018, Tues., 1-3 PM	1. Financial Plan: <ul style="list-style-type: none"> - Review costs with new economic indicators - Revise ALS proposal based on new economic indicators 2. Cost Efficiencies/Effectiveness: Review ALS program for cost efficiencies and system effectiveness
\$\$\$ NEW ECONOMIC INDICATORS – mid-July \$\$\$	

Meeting Date/Times	ALS Subcommittee Work Plan Activities
Finance Subcommittee Mtg.: Jul. 24, 2018, Tues. ----- Task Force Mtg.: Jul. 31, 2018, Tues.	1. Present ALS Subcommittee proposal 2. Draft recommendations to Task Force 3. New/revised programmatic Financial Plan ----- 1. ALS Subcommittee Findings To-Date 2. Economic Update 3. Key Levy Components: EMS Levy Rate, Length, and Ballot Timing
ALS Subcommittee Mtg. #7: Aug. 14, 2018, Tues. 1-3 PM	Amend ALS proposal based on Finance Subcommittee and Task Force discussions
\$\$\$ NEW ECONOMIC INDICATORS - mid-to-late August 2018 \$\$\$	
ALS Subcommittee Mtg. #8: Sep. 11, 2018, Tues, 1-3 PM	1. Economic update 2. Prepare ALS Subcommittee final proposal to Task Force
Finance Subcommittee Mtg.: Sep. 25, 2018, Tues.	1. Finalize ALS, BLS, and Regional Services draft recommendations 2. Finalize remaining Financial Plan components
ALS Subcommittee Mtg. #9: Oct. 9, 2018, Tues. 1-3 PM	1. Amend ALS final proposal based on Finance Subcommittee discussion 2. Finalize ALS recommendations and financial plan to be approved by Task Force to submit to the KC Executive and KC Council
Task Force Mtg. Oct. 16, 2018, Tues.	1. Economic update 2. Discussion and adoption of programmatic recommendations, financial recommendations 3. Key Levy Components: EMS Levy Rate, Length, and Ballot Timing

Advanced Life Support (ALS) Services

Background Financial Information

February 13, 2018

How do we fund ALS?

Funding:

- Commitment to fully fund all eligible ALS costs.
- Over 60% of total EMS levy expenses dedicated to ALS.

Funding mechanisms:

- City of Seattle ALS units funded as part funds disbursed directly to the City of Seattle.
- Funding for remaining ALS units comes through King County EMS Fund which:
 - Provides uniform amounts to each agency based on an established amount, or unit allocation, for each unit.
 - Makes available contingencies and reserves to cover one-time and unplanned costs.

ALS funding components (total funding per unit in 2018 is \$2,494,942):

- **Operating Allocation** – covers planned cost of providing paramedic services. Includes cost of medic unit responding to calls and admin/supervisory costs (\$2,403,390/unit in 2018)
 - Salaries & benefits: over 80% of total costs
 - Other costs: medical supplies, pharmaceuticals, dispatch, etc.
 - Indirect/overhead expenses consistent with best practices (human resources, payroll, accounting)
- **Equipment Allocation** (\$91,552/unit in 2018)
 - Primarily replacement of “medic unit” vehicles
 - Also includes defibrillators, mobile data computers, radios, staff vehicles, stretchers, other equipment, and minor facility improvements
- Availability of **Contingencies and Reserves** for one-time and unique expenses

How do we increase funding to accommodate inflation?

Yearly increases:

- Allocations increased yearly by compound inflator
- Each inflator tied to specific economic indices

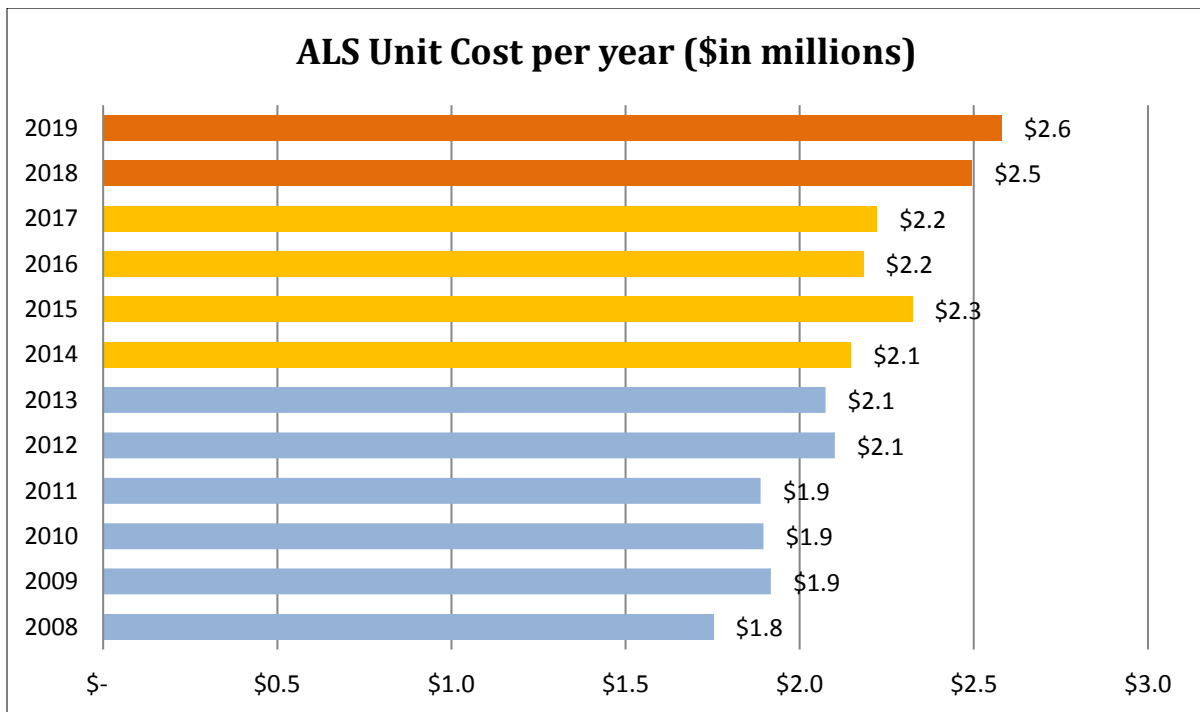
How many units are currently operating?

Units funded (operated by each agency):

Seattle Fire	7 units
Shoreline Fire	3 units
Redmond Fire	3 units
Bellevue Fire	4 units
<u>King County Medic One</u>	<u>9 units</u>
Total	26 units

Other: Service to Skykomish/KCFD50 area provided under contract with Snohomish County FD26 (Goldbar)

What are actual ALS costs per unit by year?



Notes: Some variances are due to yearly differences in equipment purchases and retro labor agreements. Does not include costs associated with contract service to KCFD50/Skykomish area.

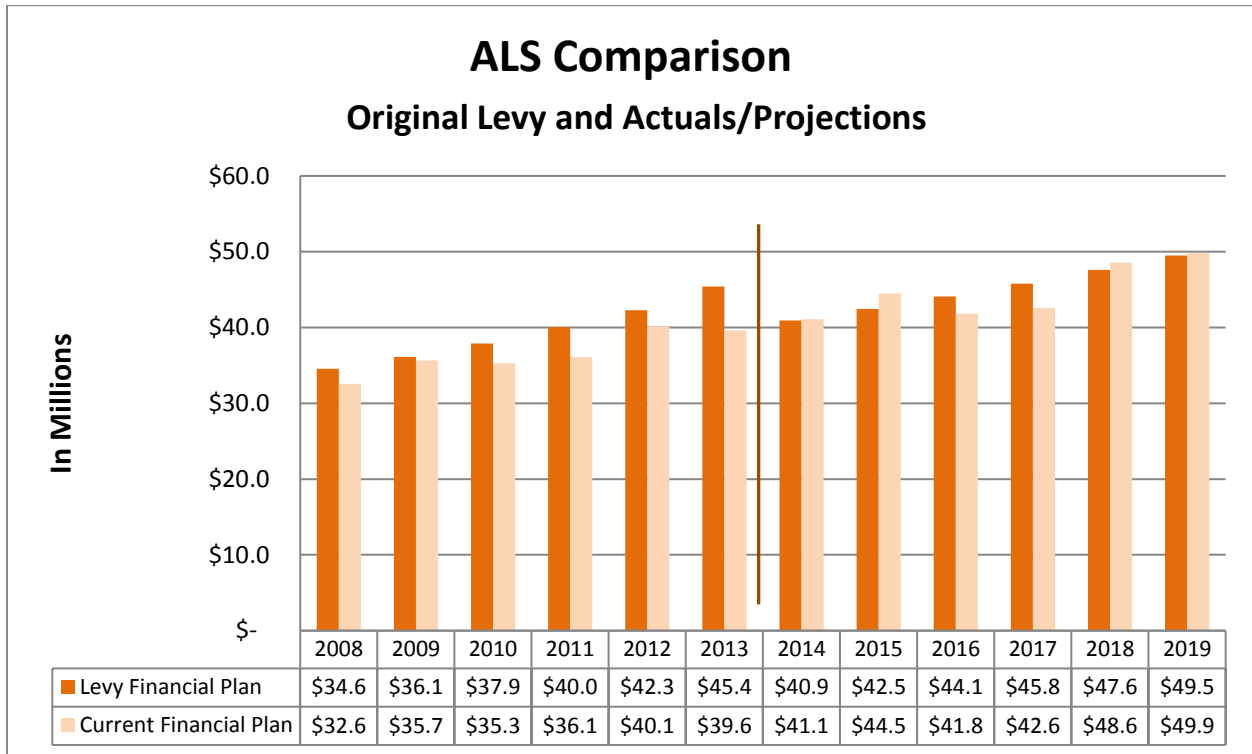
How has the EMS levy provided for one-time and unplanned ALS costs?

History

- Reserves emerged as the region grappled with how to cover unplanned expenses. Before the levy committed to fully fund ALS expenses, agencies covered unplanned costs.
- **2002-2007 levy:** Circumstances arose that led the region to recommend using available fund balance (which functioned as a limited reserve) to cover unplanned expenses.
- **2008-2013 levy:** Reserves were formally added to ensure funds were available to address emerging needs, particularly larger one-time and unexpected/unplanned expenses.
 - Total reserve dollars were estimated and there were no specific policies about when and how to access reserves.
 - Based on the recommendations of King County auditors specific reserves, along with guidelines and policies to access reserves, were developed in 2009. The result was 12 separate reserves.
- **2013-2014 levy:** the 12-separate reserves were cumbersome. These were simplified and consolidated into four main ALS categories:
 - ALS Capacity Reserve – 1) Funding of facility upgrades to relocate a medic unit to accommodate projected demand; 2) funding to respond to temporary needs for additional ALS capacity; and 3) and funding for potential new ALS unit, if needed.
 - ALS Equipment Reserve – Funding for significantly higher equipment costs or shorter lifespan than planned that cannot be accommodated within equipment allocation.
 - ALS Operational Reserve – Funding for unplanned increases in operating costs including funding where agencies had excess paid time off (PTO) and paramedic student costs significantly above what was assumed to be operating allocation.
 - ALS Risk Abatement Reserve – Funding for ALS agency costs not covered by their own risk pools/insurance and other unexpected liabilities.
- **2017:** Existing reserves re-categorized and a formal rainy day reserve established to conform to updated King County Financial Policies.

ALS USE OF RESERVES & DESIGNATIONS	2008-2013 Actuals	2014-2019 Estimated
ALS Equipment (load systems for power costs & vehicle costs)	\$ 932,046	\$ 797,885
ALS Facility/Capacity Reserves (facility upgrades and enhanced ALS capacity)	\$ 465,707	\$ 360,000
ALS Operating (excess PTO, paramedic student costs, and increased operating costs including mid-levy adjustment of the ALS allocation)	\$ 1,731,306	\$ 11,296,906
ALS Risk Abatement Reserve (retirement liability and FLSA settlements)	\$ 3,308,454	\$ 1,020,136
TOTAL	\$ 6,437,513	\$13,474,927

How have actual costs varied from planned costs?



Trends – affected by economic issues:

- **2008-2013 levy:** due to economic recession, costs were less than planned (overall levy revenues were also less than planned)
- **2014-2019 levy:** during economic upturn, costs increased higher than planned. An ALS mid-levy allocation adjustment was needed to cover increased costs.

Key Drivers:

- Economy and inflation
- Variances in yearly expenditures to accommodate specific agency needs (a higher year could include a retro payout related to a labor contract)
- Technological changes: ESO, defibrillators, power stretcher systems, etc.
- Medical direction resulting in protocol changes, different transport decisions, new procedures and pharmaceuticals.