



2006 – 2007 Proposed Budget --- Budget Summary Ambulance Fund – Resources

2006 – 2007 Ambulance Fund – Resources Budget Highlights

- **Transport Fees** - The EMS transport fees reflect an increase of 2.8% from the past budget year. Medicare implemented a five-year phase in, of their new ambulance fee schedule. The implementation process blended a percentage of new lower fees, with a percentage of the old higher fee, at the completion of the process the City will be receiving 100% of the new lower fee. The final phase occurred in January of 2006. While the City continues to see an increase in call volume, the City also continues to see an increase in Medicare write-offs. However the City is starting to see the write-offs plateau, the Department will be able to determine the complete impact on revenues during the next calendar year.
- **FireMed** – FireMed is a program where subscribers purchase an ambulance service membership. If the member or their family needs ambulance service, the member's insurance(s) is/are billed, if insured, for the transport and any remaining balance is then written off after all insurance coverage is received. The program has been very successful for the ambulance service since the program's inception in 1988.
- **Fire Fund – Property Tax Subsidy** – In the 2004 - 2005 budget it was necessary to transfer \$50,000 and in 2005 – 2006 \$100,000 from the property tax funded Fire Fund to balance fee funded Ambulance Fund. That subsidy has been increased to \$300,000 in the 2006-2007 Proposed Budget.

Short- and Long-Term Issues

➤ **Short-Term Issues**

- Continue to project and plan the effects of the fully implemented Medicare fee schedule.
- Continued compliance with federal HIPAA requirements.
- Implement requirements of the new Yamhill County Ambulance Service Agreement.

➤ **Long Term Issues**

- Continue to explore every possible solution to changing the Medicare fee schedule to adequately reimburse for the cost of providing ambulance transport services.
- Continue to evaluate the effectiveness of ambulance services and how the Department accommodates the changing population and increased needs for services.
- Evaluate other funding options that may provide more stable funding opportunities.

Core Services

- Provide Advanced and Basic Life Support treatment for sick and injured patients in the City's 450 square mile Ambulance Service Area.



The ambulances
and rescue carry
576 feet of gauze.



Ambulance Fund - Resources --- Historical Highlights

1928 McMinnville Ambulance Service begins operating. Start-up funds loaned to the City by two local banks and Oregon Mutual Insurance Company. Start-up loans paid back by donations and charges for ambulance service.

1950 According to retired Fire Chief Jerry Smith, a typical ambulance transport cost ~\$2.50.

1987 Ambulance subscription sold for the first time at \$35 per household – FireMed.

2000 Non-emergency transport pay-for-service implemented in response to requests for quality transport service not available in the community.

2004 First transfer from Fire Fund supported by property taxes to support ambulance operations - \$50,000.

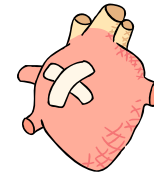
2004 Elimination of non-emergency transport service.

2005 Basic life support (BLS) transport, similar to the 1950 ~\$2.50 transport today costs ~\$530.

2005 Second transfer from Fire Fund supported by property taxes to supplement ambulance operations - \$100,000.

2005 First time Ambulance Fund operations cannot support purchase of a new ambulance. Capital Improvement Fund budgets to purchase \$130,000 with a combination of property taxes and remaining certificates of participation financing dollars.

2006 Third transfer from Fire Fund supported by property taxes to supplement ambulance operations - \$300,000.



McMinnville EMS responded to 41 cardiac arrests in 2004.

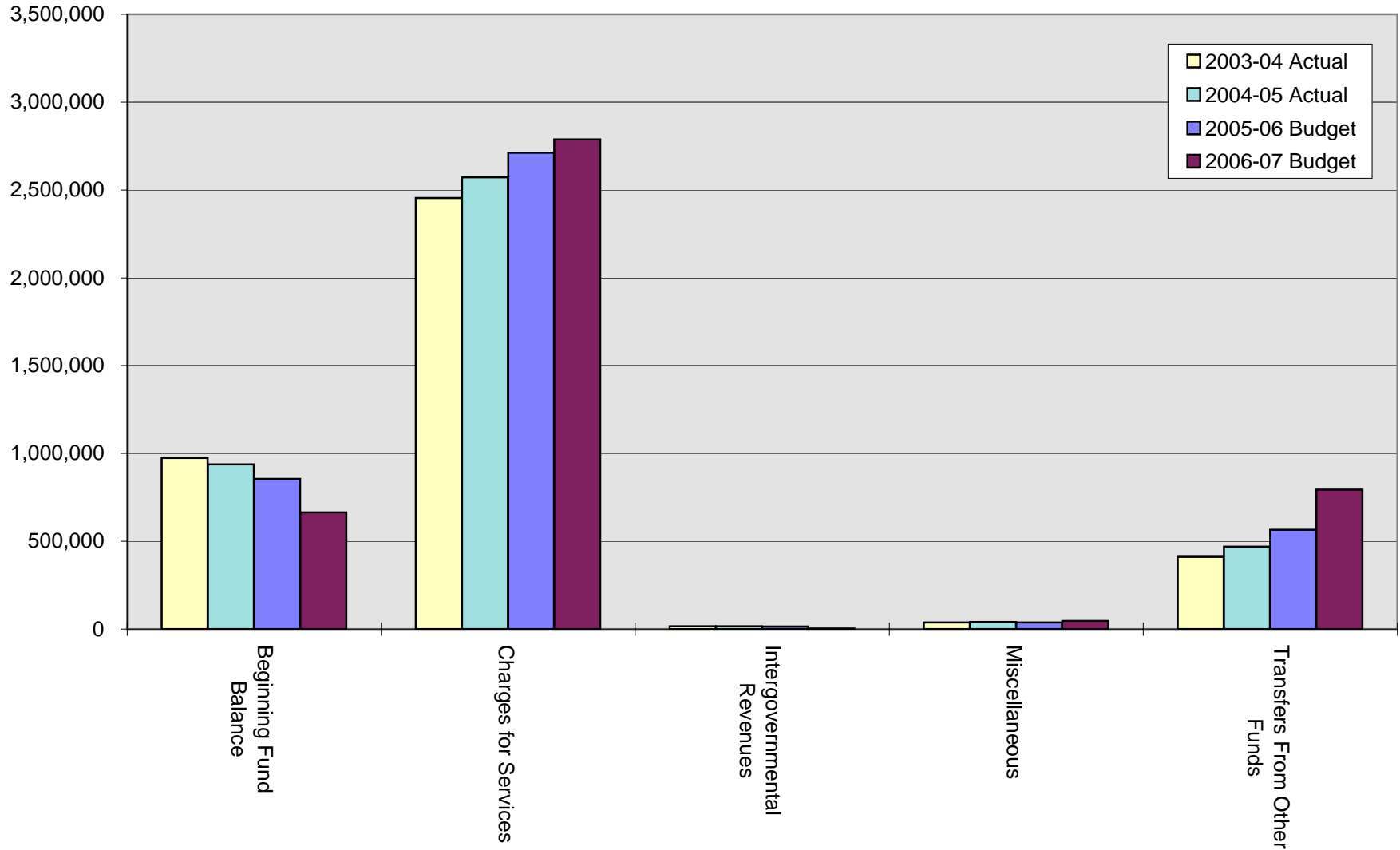
McMinnville EMS stretchers are rated to a capacity of 600 lbs.



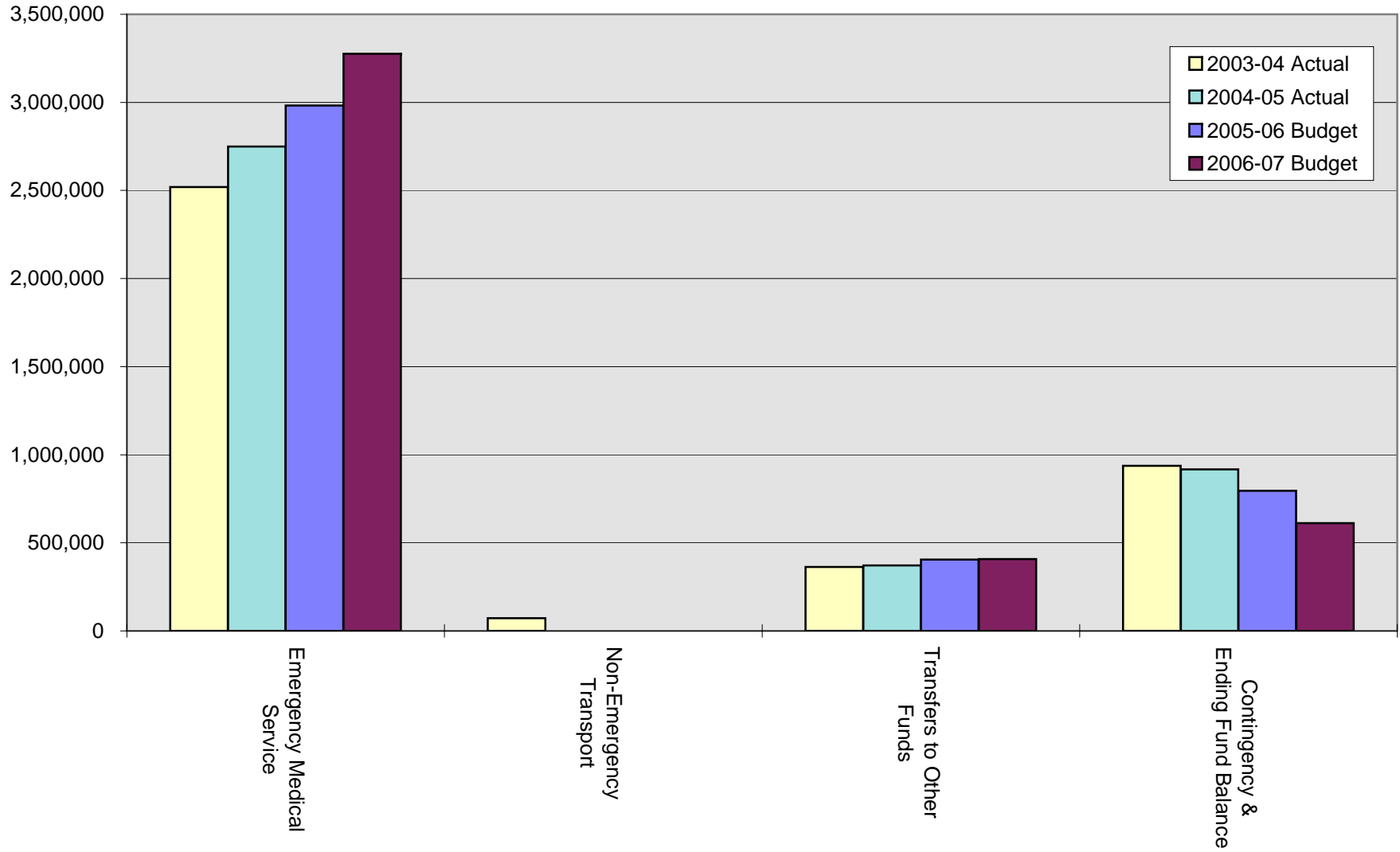
Medic 10 drives 50,000 miles a year. The average family car drives 10,000-15,000 miles a year.



Ambulance Fund Resources



Ambulance Fund Requirements



AMBULANCE FUND

2006-07

02-Aug-06

70	00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
RESOURCES									
<u>BEGINNING FUND BALANCE</u>									
		0	0	0	60000-02	DESIGNATED BEGIN FUND BALANCE:	0.00	0	0
		0	59,164	115,000	60000-03	DBFB - PERS RESERVE	0.00	0	0
						The July 1, 2006 Designated Beginning Fund Balance PERS Reserve was eliminated due to Oregon Supreme Court decisions received in March 2005. The decisions did not require entities to "pay back" the difference between the lower PERS rates enacted July 1, 2003, due to the 2003 PERS legislative reforms, and the PERS rates that would have gone into affect without the legislative reforms.			
		391,098	401,741	450,000	60000-93	DBFB - EMS A/R	0.00	450,000	450,000
						Non-cash Beginning Fund Balance comprised of estimated Ambulance Accounts Receivable balance at July 1, 2006.			
		10,403	0	0	60000-95	DBFB - NET A/R	0.00	0	0
		50,000	0	40,000	60000-99	DBFB - VEHICLE RESERVE	0.00	0	0
		522,347	476,379	250,000	60001-00	BEGINNING FUND BALANCE	0.00	215,000	215,000
						Estimated July 1, 2006 undesignated cash carryover from the 2005 - 2006 fiscal year.			
		973,848	937,284	855,000	TOTAL BEGINNING FUND BALANCE		0.00	665,000	665,000
<u>CHARGES FOR SERVICES</u>									
		0	0	0	60034-00	EMERGENCY MEDICAL SERVICE:	0.00	0	0
		2,308,329	2,486,152	2,625,000	60035-00	EMS TRANSPORT FEES	0.00	2,700,000	2,700,000
						Fees charged to patients that are transported or treated by ambulance personnel for emergency medical or trauma related incidents.			
						Budget Note: The EMS Transport Fee amount reflects a fee increase of 2.8% Portland (CPI-W) cost of living adjustment.			
		78,915	85,673	87,000	60038-00	EMS FIREMED FEES	0.00	87,000	87,000
						Fees collected from FireMed subscribers to provide ambulance service, if needed, for the cost of the subscription plus the subscriber's insurance coverage payment(s).			
		0	0	0	60045-00	NON-EMERGENCY TRANSPORT:	0.00	0	0
		66,923	0	0	60046-00	NET FEES	0.00	0	0
						Budget Note: Due to the availability of alternative non-emergency transportation, which was not available at the implementation of the City's non-emergency transport service, and due to continuing NETT operating loss, the City's NETT service was dropped in the 2004 - 2005 Proposed Budget.			
		2,454,167	2,571,825	2,712,000	TOTAL CHARGES FOR SERVICES		0.00	2,787,000	2,787,000

AMBULANCE FUND

2006-07

02-Aug-06

70	00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
<u>INTERGOVERNMENTAL REVENUES</u>									
		0	0	0	60091-00 OR DEPT OF HS - RURAL EMS GRNT	0.00	3,600	3,600	3,600
					Oregon Department of Human Services - EMS Division will reimburse up to \$3,600 for the purchase of automatic external defibrulators (AEDs). The Department hopes to receive another \$3,600 grant in 2006-2007, that will help fund the purchase of 4 AEDs budgeted in Account #70-14-80681-00.				
		15,900	16,500	14,100	60121-00 YCOM - DIRECTOR	0.00	0	0	0
		15,900	16,500	14,100	TOTAL INTERGOVERNMENTAL REVENUES	0.00	3,600	3,600	3,600
<u>MISCELLANEOUS</u>									
		8,005	11,950	6,600	60151-00 INTEREST	0.00	15,900	15,900	15,900
		0	0	3,000	60161-00 DONATIONS - AMBULANCE	0.00	2,000	2,000	2,000
					*RG and CW --- UR over \$1,108 !!!				
		3,906	4,348	3,000	60167-00 OTHER INCOME	0.00	3,000	3,000	3,000
		24,875	22,613	25,000	60167-01 COLLECTIONS - EMS	0.00	25,000	25,000	25,000
					Collection agency payments from ambulance past-due accounts previously turned to collections.				
		334	2,525	0	60167-03 OTHER INCOME - NET	0.00	0	0	0
		140	0	0	60167-12 OTHER INCOME - LIGHT DUTY	0.00	0	0	0
		37,260	41,436	37,600	TOTAL MISCELLANEOUS	0.00	45,900	45,900	45,900
<u>TRANSFERS FROM OTHER FUNDS</u>									
		0	0	0	60179-00 FIRE FUND:	0.00	0	0	0
		391,643	400,338	437,237	60181-00 FIRE FD - FIRE FIGHTERS	0.00	465,558	465,558	453,146
					Transfer from Fire Fund for personnel cost allocations for Ambulance Fund Medic-Fire Fighters' performance of fire functions at the 35% fire allocation rate per the Fire and Ambulance Cost of Service Study.				
		19,655	19,664	27,725	60183-00 FIRE FD - OFFICE STAFF	0.00	28,392	28,392	28,390
					Transfer from Fire Fund for personnel cost allocations for office clerical employee performance of fire support services at the 35% fire allocation rate per the Fire and Ambulance cost of Service Study.				

AMBULANCE FUND

2006-07

02-Aug-06

70	00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
		0	50,000	100,000	60185-00 FIRE FD - PPTAX SUBSIDY	0.00	300,000	300,000	300,000
					Property tax subsidy from Fire Fund primarily due to shrinking Medicare and Medicaid payment schedules. This is the third year of a property tax subsidy to the Ambulance Fund.				
					Budget Note: In 2002, the federal government started a 5-year implementation of a reduced Medicare payment schedule. The final implemented schedule significantly reduced the amount Medicare would pay for ambulance transport with a 20% reduction for each year until the final lowest payment goal was reached. In January 2006, the final reduced payment schedule was implemented. The federal government policy has significantly increased Medicare write-offs over this 5-year period. History of Account #70-14-80565-11, Medicare Assignment- Non-Allowed closely correlates with the amount of Fire Fund subsidy needed by the Ambulance Fund:				
					2001-2002 235,882				
					2002-2003 329,743				
					2003-2004 444,547				
					2004-2005 462,908				
		411,298	470,002	564,962	TOTAL TRANSFERS FROM OTHER FUNDS	0.00	793,950	793,950	781,536
		3,892,473	4,037,047	4,183,662	TOTAL RESOURCES	0.00	4,295,450	4,295,450	4,328,036