

THE COST OF EMS

Blue Ribbon Commission
September 15th, 2022





BACKGROUND AND DISCLOSURES

- 19 years EMS experience, 10 directly responsible for billing and finance
- Oversight over an EMS billing agency (\$65.2M in annual charges)
- Financial responsibility for a large ground ambulance service and air medical ambulance
- Employed by Northern Light Health

PROVIDER AND CALL VOLUME DATA

- 166 Licensed Transporting EMS Services

All Transporting Agency Transport Volume					
Year	Average	25th Percentile	50th Percentile	75th Percentile	Maximum
2018	1123.6	147.5	384.0	1186.5	17400.0
2019	1272.8	167.0	374.0	1290.0	19965.0
2020	1104.1	158.8	329.0	1083.0	15658.0
2021	1211.6	191.0	399.0	1241.0	14795.0
2022	849.2	140.8	288.5	884.8	9892.0
All Transporting Agency Call Volume					
Year	Average	25th Percentile	50th Percentile	75th Percentile	Maximum
2018	1390.3	195.0	536.0	1634.0	19593.0
2019	1591.1	216.8	529.5	1760.8	21789.0
2020	1447.6	227.0	499.0	1516.0	17009.0
2021	1760.1	267.0	607.0	1950.0	20294.0
2022	1150.9	186.0	402.0	1142.0	13167.0

VEHICLE UTILIZATION

The median transports per ambulance vehicle per year in Maine is **115**

NON-TRANSPORTS

On Average, 26% of requests do NOT result in transport and do NOT result in payment

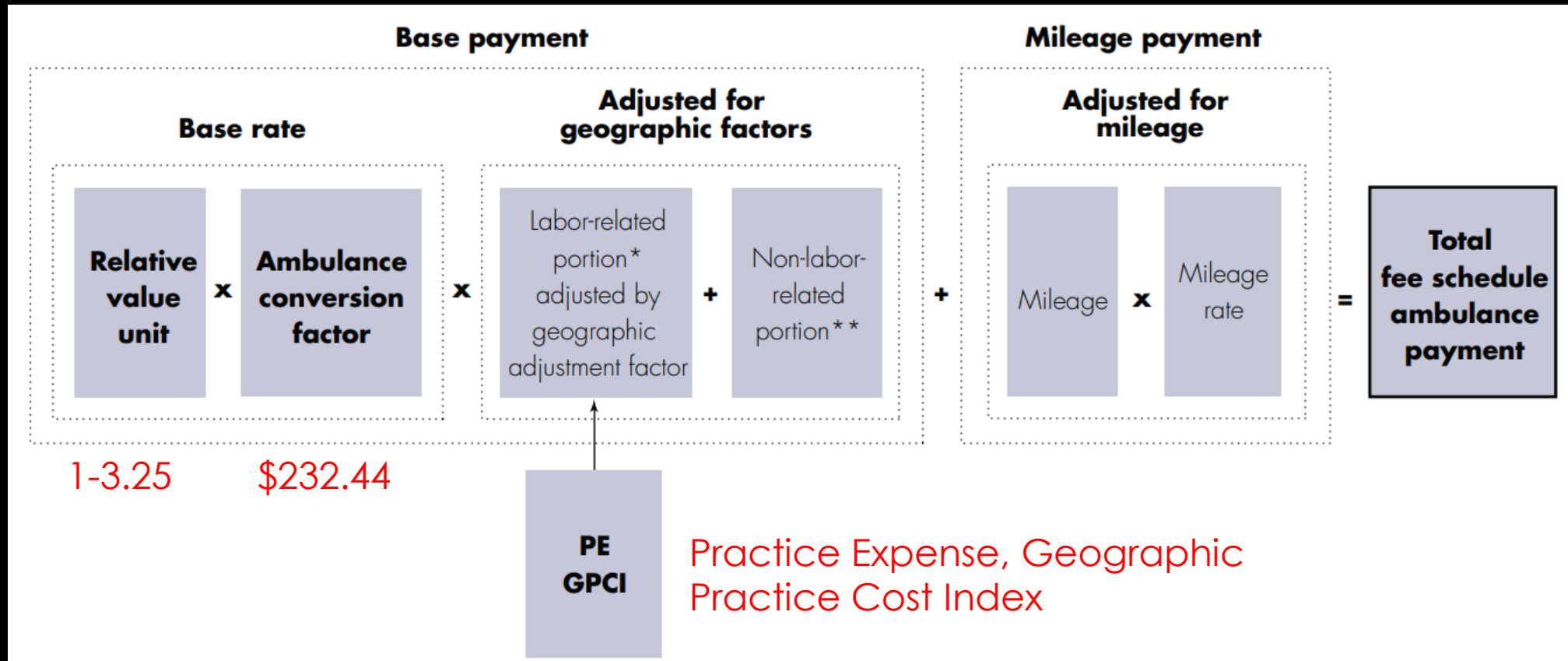
STARTING AN AMBULANCE

A One-Ambulance service requires approximately \$1,000,000 in cash to begin operations. Payment won't start coming until six months from startup



UNDERSTANDING AMBULANCE REIMBURSEMENT

AMBULANCE PAYMENT



RATE ADJUSTMENTS

This factor is an amount equal to the percentage increase in the consumer price index for all urban consumers (CPI-U) reduced by the 10-year moving average of multi-factor productivity. The update for 2021 was 0.2 percent.*

*MEDpac Ambulance Payment Basics

AMBULANCE ADD-ON PAYMENTS

- 2% Urban (urban, for example, includes all of Penobscot County)**
- 3% Rural
- 22.6% (lowest 25th percentile of all rural areas in US)

SET TO EXPIRE AT END OF CALENDAR YEAR

** This 2% offsets the long-standing 2% monies that are sequestered

MAINECARE

MaineCare pays at average Medicare rates based on the lowest GPCI

COMMERCIAL PAYERS

- LD1258
 - 180% of Medicare (plus rural and super rural add ons) for out of network
 - 200% of Medicare (plus rural and super rural add ons) for in network

Methodology expires 12/31/2023. Without this, carriers' payment to out of network ambulance services will decrease dramatically, though it will introduce an independent dispute resolution process.

FINANCIAL DEMONSTRATION

25th Percentile Transport Volume: 191 (267 requests)

50th Percentile Transport Volume: 399 (607 requests)

75th Percentile Transport Volume: 1,241 (1,950 requests)

Highest Transport Volume: 14,795 (20,294 requests)



Reimbursement averages ~\$500 per transport, yet the 50th percentile cost is estimated to be over \$1,900 per transport

Percentile	Volume	Net Income	Ambulances	FTEs	Net Income Per Call	Cost Per Transport
25th	191	\$ (653,854.54)	1	9.8	\$ (3,423.32)	\$ 3,915.31
50th	399	\$ (568,300.56)	1	9.8	\$ (1,424.31)	\$ 1,916.30
75th	1241	\$ (805,613.47)	2	18.6	\$ (649.16)	\$ 1,141.15
Maximum	14795	\$ (201,752.76)	9	83.2	\$ (13.64)	\$ 505.63
Percentile	No Transports	Additional Revenue if non-transports were funded*	Additional loss to adjust wages	Additional Revenue if Rural	Additional Revenue if Super Rural	
25th	67	\$ 29,527.50	\$ (899,972.41)	\$ 1,061.05	\$ 23,979.74	
50th	140	\$ 55,416.09	\$ (814,418.44)	\$ 2,216.54	\$ 50,093.81	
75th	436	\$ 172,359.30	\$ (1,010,096.46)	\$ 6,894.05	\$155,805.56	
Maximum	5,198	2,054,839.56	\$ (2,416,813.61)	\$ 82,189.76	N/A	

Wage Adjustment Mid Points
 EMT: 20, AEMT: 25, Paramedic: 35

*Assumes paying base rates with no mileage

The 50th percentile ambulance service, performing 399 calls per year, requires \$570,000 in subsidy to *break even*

MUNICIPAL AMBULANCE SERVICES

	Urban, 1334 Calls per year (Old Town)	Super Rural (Madawaska)
Charges	\$ 1,359,369.20	
Contractual Allowances / BD	\$ (608,842.31)	
Payments	\$ 683,003.70	\$ 393,784.78
Personnel	\$ 1,097,991.00	\$ 431,125.00
Purchased Services	\$ 26,319.00	\$ 57,000.00
Supplies and Materials	\$ 69,817.00	\$ 40,050.00
Repairs and Maintenance	\$ 36,550.00	\$ 14,200.00
Utilities	\$ 30,140.00	\$ 2,300.00
IT	\$ 4,000.00	\$ 2,520.00
Other	\$ 552.00	\$ 16,550.00
Depreciation	\$ 98,485.00	
Insurances	\$ 51,477.00	
Net Income Before Allocation	\$ (732,327.30)	\$ (169,960.22)
Not included	Rent, Capital Equipment, Additional Personnel. Expenses split 50/50 with fire, however 86% of demand is EMS	Insurances, capital equipment, rent



501 (C)3 AMBULANCES

DELTA

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)		1,512,684
	9 Program service revenue (Part VIII, line 2g)	7,710,421	6,972,577
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	259,728	94,413
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,970,149	8,579,674
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		0
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	5,913,295	6,259,027
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,352,604	2,353,150
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	8,265,899	8,612,177
	19 Revenue less expenses. Subtract line 18 from line 12	-295,750	-32,503
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	10,372,172	11,011,395
	21 Total liabilities (Part X, line 26)	2,336,729	2,683,185
	22 Net assets or fund balances. Subtract line 21 from line 20	8,035,443	8,328,210

NORTHERN LIGHT

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)		0
	9 Program service revenue (Part VIII, line 2g)	7,679,258	8,343,088
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-8,031	-755
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,671,227	8,342,333
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
14 Benefits paid to or for members (Part IX, column (A), line 4)			0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)			4,589,894
16a Professional fundraising fees (Part IX, column (A), line 11e)			0
b Total fundraising expenses (Part IX, column (D), line 25) ▶0			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		8,289,140	3,930,943
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		8,289,140	8,520,837
19 Revenue less expenses. Subtract line 18 from line 12		-617,913	-178,504

UNITED

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	0	44,853
	9 Program service revenue (Part VIII, line 2g)	8,977,856	8,463,961
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,585	-2,088
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	8,985,441	8,506,726
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	4,559	3,270
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	6,350,066	6,254,834
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,833,459	2,264,369
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	9,188,084	8,522,473
19 Revenue less expenses. Subtract line 18 from line 12	-202,643	-15,747	
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	5,683,121	5,666,558
	21 Total liabilities (Part X, line 26)	637,649	636,833
22 Net assets or fund balances. Subtract line 21 from line 20	5,045,472	5,029,725	

CURRENT SUBSIDIES

- Municipal contributions (space, overhead)
- Tax contributions
- Volunteer hours
- Per Capita Contributions
- Purchased Services



APPENDIX WITH ASSUMPTIONS

LIST OF ASSUMPTIONS

- Median Pay Rates
 - EMT: 17.50, AEMT: 19, Paramedic: 25
- Charge Structure 2-3x Medicare Rates
- Service Mix:
 - BLS Non-Emergency: 20%
 - BLS Emergency: 31%
 - ALS Non-Emergency: 5%
 - ALS Emergency: 41%
 - ALS II Emergency: 3%

LIST OF ASSUMPTIONS

- Ambulance Acquisition
 - Vehicle base cost: \$185,000
 - Patient Securement: \$50,000 (Cot and loading system)
 - Ambulance lifespan: 225,000 miles
 - Ambulance MPG: 8
 - Maintenance Cost: \$0.13/mile driven
 - General medical equipment: \$35,000

Mileage Factor

- Ambulance will drive 3.5 miles for every miles of patient transport

LIST OF ASSUMPTIONS

Required Ambulances

- 0-1000 Transports: 1 ambulance
- 1000-2000 Transports: 2 ambulances
- Each additional 2000: 1 more ambulance

Staffing

- EMT/Paramedic team
- 1 leadership position per three trucks, minimum of 1
- 1 senior leader for five or more trucks

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LIST OF ASSUMPTIONS

Payer Mix

- Medicare / Mainecare: 65%
- Commercial Insurers: 20%
- Self-pay: 15%

LIST OF ASSUMPTIONS

Billing and Dispatch

- \$20.00 per call
- Average Reimbursement per Transport: \$491.99
- Average Charge: \$1,072.50
- Average Transport Mileage - 12

Several other assumptions of cost are included, but are based off actual data