

WESTERN PAYNE COUNTY AMBULANCE TRUST AUTHORITY BOARD
SPECIAL MEETING
Stillwater Medical Center Medical Plaza Conference Room #2024
1201 S. Adams, 2nd Floor
Stillwater, Oklahoma
Monday
October 24, 2016
8:30 a.m.

Present: Elaine Ackerson, Anne Matoy, Jerry Moeller and Harland Wells

Absent: James Morrow

Others: Steve Athey (Health Care Visions), Kelly McCauley, Zach Harris, Joe Cassil (Life Net, Inc.), Bob Ernst (Perkins City Manager) and Cheryl Marshall (minutes)

Notice of this meeting was posted with the City of Stillwater City Clerk's office 48 prior to this meeting.

CALL MEETING TO ORDER

Elaine Ackerson, Chair of the Western Payne County Ambulance Trust Authority (WPCATA) Board, called the special meeting to order at 8:33 a.m.

OVERVIEW OF EMS TODAY

Steve Athey with Health Care Visions gave an overview of the EMS system. He stated that he was hired to consult at the start of the Trust. At that time, Stillwater Fire Department (SFD) ran the ambulance service. The same staff ran both the ambulances and fire vehicles, so if they were out on an ambulance run other stations would work to cover fire calls. This became difficult with the many ambulance transports to Oklahoma City and various cities. SFD didn't feel they had the manpower to do both without hiring additional staff. The Mayor and City Council worked to create the current system.

Athey said that the main issues facing EMS today are: shrinking margins, clinical parameters, community health programs, competitive changes and personnel issues. It is important to know how much is made with each ambulance run. The payer mix (Medicare, Medicaid, Commercial, self-pay) in the area can greatly affect the bottom line. With most payer sources, it doesn't matter how much you charge, your reimbursement is fixed, so a company receives the set amount. Medicaid dollars are being cut by 20%. Deductibles are rising with Commercial plans, so patients are being responsible for larger portions of medical bills. Commercial payers are working to set their rates closer to Medicare rates, decreasing the amount they will pay for services provided. Wells asked how this will affect LifeNet specifically. Moeller asked about the current payer mix. McCauley agreed to gather actual data. McCauley said that if the patient is a member, they are not

billed their co-insurance/deductible amount. With the Affordable Care Act, many deductibles are higher than the ambulance bill, so they are not paid anything for the transport.

Medicare is starting to include patient satisfaction in reimbursement. Ambulance companies are beginning to make agreements with insurance company to make medical direction decisions to not always take patients to hospitals. Sometimes the patient will not need that level of care. Medical triage is done and a determination is made as to whether the patient needs to consult a clinic or home health agency. This also helps to reduce 30-day patient readmissions for hospitals. About 8 patients out of 100 actually need to go to the hospital.

Ways to measure ambulance companies is difficult. Response time is always a goal, but outcomes are usually not measured. Clinical data shows that one must be onsite within 4 minutes to affect death or disability. Most of the time, a company cannot get there within that time.

Ground and air companies are beginning to join. Air ambulance is very expensive, around \$36,000 per transport. The insurance companies pay only a small portion of that amount, leaving the patient with a huge bill. Medicare pays around \$4,800. Studies have shown that triage protocol can reduce helicopter transports to only those who are extremely critical. In the study, patients got better when they were triaged properly and went by ground transport.

Some of the personnel issues are that the workforce is getting younger. They expect to receive livable wages and help dealing with PTSD. Hospitals, clinics and doc-in-the-box are starting to use paramedics, which decreases available personnel.

McCauley learned the payer mix for Payne County and shared it with the members: Medicare, 52%, Medicaid, 12%, Commercial, 20%, Self-Pay, 16%. Member agreed that the payer mix was good. Matoy asked collection vs charge rate in the various categories. Athey said that the average bill is \$1,400. Medicare's contractual allowance is \$900. Therefore \$500 would be billed. Medicare pay 80% (\$400), leaving the patient owing \$100 if they are not a member. Commercial insurance pays more. Matoy asked that average actually collected. McCauley agreed to research.

STRATEGIC PLANNING

Athey and members then analyzed the ambulance service strengths and weaknesses.

Strengths were determined to be: tenure, revenue steady (large membership percentage), contractor (personnel), community satisfaction, patient satisfaction, surplus in Trust (reserve), and known matrix (revenue/expense).

Weakness were determined to be: low salary causes turnover, large geographic area (low volume areas), rural response times, stand-alone system, competitive challenges, communication to the City and the community (PR/social media).

Threats were determined to be: Medicaid reimbursement (decreasing and becoming flat), contractor challenges (recruiting/retention), competitive (impending bid cycle in 2021/system disruption), air-ambulance memberships.

Opportunities were determined to be: Impending bid cycle (possible system enhancement/financial), retained earnings to expand and improve care in the community, system-wide rural responders, and building relationships with hospital and community.

Wells asked if the Trust is obligated to bid. Athey explained that as a Steward of a Trust, you need legal to determine. If you are not required to bid, you would need a process to validate the current system. You may choose to hire a benchmarking company to validate current performance: calls handled appropriately (transported when necessary), membership fee determined reasonable, revenue generated from the calls determined appropriate, response times met, necessary equipment available and in good repair, turnover reasonable, management appropriate, etc. Those would be compared to other companies of the same size and complexity.

The members asked how much should be reserved. Athey said that the Trust is responsible to provide ambulance service. As part of the contract, LifeNet holds a \$500,000 performance bond (LOC). Should they not continue to provide service or default, this would allow time to replace the current service. The LifeNet equipment could be leased or purchased. Ackerson said that \$250,000 is reserved in a CD, as well as \$250,000 plus in the Operating Account. Those together would be \$1M. Matoy asked what amount would be prudent. McCauley said that they had one record year when \$250,000 went back to the Trust (per contract, revenue exceeding 6%). Since that year, it has continued to decrease, which will likely affect future growth for the reserve. Athey said that he would recommend at least 6 months operating expense be held in reserve. McCauley said that monthly \$103,900 is received as subsidy; salary expense is around \$134,000; indirect cost is \$31,000, and estimated Net Income is \$8,000. Athey said that in some communities, the ambulance is branded with the Trust's name, so the contractor providing the service can be changed if need be. However with that, the Trust has the responsibility of billing and collecting.

Matoy asked if additional resources are needed for the increase in long-distant transports and non-emergency transports. McCauley said that they are able to bill for those calls, plus mileage. Matoy asked if a demand analysis has been done, response times being important to all. McCauley said that they believe they have the ambulances necessary to provide needed service. Athey said that the response times in the contract were set from national standards.

Measuring success for an ambulance services is difficult. The community expectation is how fast the ambulance arrives. Athey said that response time

compliance is universal because survivability is difficult to measure. It takes relationships within the medical community to gather data to measure patient outcomes. Some measures include: success rates on intubation, on IVs, ALS, and time to medication for stroke patients. Survivability for cardiac arrest is often too complex.

The members discussed spending some of the reserve for rural responders to upgrade the system, equipment and supplies for first responders (AEDs for PD and/or Sheriffs), training incentives for personnel to improve services. Ackerson asked about scholarship funding. Athey felt that could improve the system and would be beneficial in public relations. However, he did not believe you could successfully "require" the recipient to stay in the community. It may provide an opportunity to grow rural response training. The members expressed the desire to keep and spend the reserve in a responsible manner.

Ackerson suggested rewarding the first responder communities like Perkins and Morrison who are working hard to provide this service to their community. Wells proposed spending \$50,000 to \$60,000 the first year and see from there. Moeller agreed that the members could start out contributing a specific amount and re-evaluate the amount annually.

The members discussed educating the public more on the benefits of membership and whether marketing the service should be shared by LifeNet and the Trust. Matoy asked for examples of active Boards. Athey said that Ft. Worth is active in public relations. At every weather change, they let the community to know what to do to prevent heat related incidents, drowning related incidents, etc. They deliver positive messages and press releases on events and ride-alongs. The Board said they would appreciate a tour and Athey agreed to help facilitate a visit.

ADJOURN

There being no further business, Wells moved that the meeting be adjourned. Moeller seconded the motion, and Ackerson, Matoy, Moeller and Wells voted in favor of the motion. The meeting was adjourned at 12:20 p.m.



Elaine Ackerson, Chairman



Cheryl Marshall, Secretary/Treasurer