

July 16, 2012

## **PUBLIC SAFETY COMMITTEE REPORT**

A Public Safety Committee meeting was held on Monday, July 16, 2012 at 6:00 p.m. in the Quorum Court Room, County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas

Committee Members Present: Winscott, King, Curry, Sandlin, Carr

Others Present: County Judge Bob Clinard, JPs Allen, Hawkins, K. Harrison, Douglas, J. Harrison and Blaty, Comptroller Richard McComas, Administrator of General Services Elizabeth Bowen, Administrator of Public Safety Marshal Watson, Centerton Mayor Bill Edwards

Media: Tom Sissom

JP Winscott called the meeting to order at 6:00 p.m.

### **Public Comments**

JP Winscott stated that the purpose of this meeting is to hear the Emergency Medical Service (EMS) report provided by Gary Ludwig, Managing Director of the Ludwig Group, LLC.

### **Discussion: Emergency Medical Services (EMS) Ambulance Study**

Gary Ludwig Managing Director of the Ludwig Group, LLC presented a power point presentation on the Emergency Management Service system analysis, and stated that over 27 stakeholders and all 8 transporting fire departments were involved in development of the report. He added that the county's EMS providers all cooperate to make the system work, but there are still challenges.

He reported that the EMS call volume in the county will increase approximately 20.2% by 2020, and that revenue from transports from the unincorporated area and municipalities without EMS service could not sustain an increase in EMS operations without supplemental income.

Ludwig reported the four recommendations made:

1) Benton County should consider enacting any necessary rules, codes, laws, or regulations, up to and including all necessary business licenses for the operation of private ambulances in Benton County.

2) Benton County should seek an opinion from the Office of the Inspector General for the Centers for Medicare and Medicaid Services as to whether this arrangement is valid prior to entering into such an agreement with Bentonville to pay for ambulance transport services.

3) Benton County needs to create a separate funding source in the unincorporated and incorporated areas that do not have a dedicated ambulance service to create a more unified, sustained, and centralized EMS delivery model.

4) Benton County needs to create a position of EMS Director.

Gary Ludwig reported that there are seven options:

1) Maintain Status Quo

2) County-Operated Government Ambulance Service with NEBCO retaining its existing area.

- a. *In order to fund this operation for the first year, an assumption of a 50% ambulance transport collection rate totaling \$638,588, and a three-mil assessment totaling \$2,764,834.4, for an aggregate total of \$3,403,422.41 would be required.*
  - b. *After the initial start-up costs, the assessment can be retracted back to two mils which would generate an estimated \$2,614,994.06, including the ambulance collection fees for the second year of operation.*
- 3) Form a partnership with Central EMS:
  - a. *Currently operates south of Benton County.*
  - b. *Has a 5 to 10-year strategic plan of expansion.*
  - c. *Expansion into Benton County would have to be financially feasible, which would include handling all inter-facility transports.*
  - d. *Cost of this option is speculative depending upon negotiations.*
- 4) Contract out all services areas to a single private ambulance provider:
  - a. *NEBCO retains its existing area.*
  - b. *Two other private services have expressed interest.*
  - c. *Would need to issue RFP and enter into contract*
  - d. *Price is speculative depending upon responses to RFP*
- 5) Contract out service areas to fire departments already providing transport service.
- 6) Form a Public Utility Model
  - a. *Quasi-government agency*
  - b. *County owns all assets and does billing*
  - c. *Contract out human resource component*
  - d. *Assets would have fixed costs and human resource component would be speculative based upon bid price*
- 7) A Combination of contracting zones to private Ambulance Providers and Fire Departments:
  - a. *Cost would be speculative based upon bidding.*

Ludwig reported several options that were not included in the report:

- 1) Millage from each EMS District to fund Fire Departments
  - a. *Unable to obtain exact funding*
- 2) Every fire department eliminates their EMS transport system and a true county-wide EMS system is created:
  - a. *Not politically, logistically, or financially feasible.*

Lengthy discussion was held on the information provided in the Emergency Medical Service (EMS) study.

JP Douglas stated that one of the first things that needs to be determined is whether or not any of the eight providers that are currently providing service wants to continue, and what a fair and reasonable cost would be.

Gary Ludwig stated that based on feedback from the report, no one has agreed on a standard approach of how to figure out costs of an EMS system. He stated that he does want to caution them that just because Medicare says that they have paid a certain amount, it does not mean that they are going to pay that same amount for every call; it has to be medically necessary. He stated there is no acceptable, truly identifiable method for the EMS system for determining costs.

JP Sandlin stated that every time an ambulance is called there is going to be a different set of circumstances and a different dollar amount expended; every expense and every run is different.

JP Curry stated would it not be feasible for municipalities to bill Medicare, Medicaid, or private insurance before the county is billed.

Gary Ludwig stated that is why they recommended that Benton County get an opinion from the Office of Inspector General for Medicare and Medicaid Services before it enters into any type of agreement or arrangement.

JP Allen asked if information on whether the City of Bentonville is getting money from Medicare, Medicaid, or private insurance companies.

County Judge Bob Clinard stated that the City of Bentonville reported that in 2010 they received \$395,000 in transport fees, which is an 85% collection rate.

Administrator of Public Services Marshal Watson stated that all of the collection rates indicated by the Benton County providers were substantially above the national average.

Gary Ludwig stated that the social economic status of the community helps determine the collection rate.

JP Allen stated that anytime government is involved it is going to be more expensive to provide that service.

Gary Ludwig stated that there are different methodologies for calculating costs for EMS service, and none is universally accepted.

Lengthy discussion was held on the EMS service run volume of the smaller cities in the county and the costs to the service providers.

Marshal Watson stated there is no question that the more providers that get into the mix, the opportunity to drive the quotes down is greater. He stated that when they go out to bid, they have to make sure that they are bidding apples to apples, and not just talking about extending that service by driving outside their city limits. He stated that NEBCO's total costs of operation and fixed asset replacement is listed at \$363,034 and that NEBCO's cost per run is \$730.

County Judge Bob Clinard stated that they needed to not be so concerned with its costs, because there is no agreed formula for the cities to come up with their costs. He stated that these eight EMS providers have to tell us what their costs are. He said the option for the taxpayers of the county is either their taxes go toward paying a set amount per run, or for the county to provide its own service. He stated that we do not know how many of the eight will continue to provide EMS service at any price. He stated that these are issues that they need to determine—who is going to continue to provide the service and how much is that service going to cost the county. He stated that he has asked the providers to submit to the county what they are willing to cover and what their costs are, adding that we need to find what is best for the taxpayer.

Further discussion was held on the costs to the county to furnish Emergency Medical Services (EMS).

County Judge Bob Clinard stated that some options to pay for the service are either to take the funds out of reserves, ask for a millage increase, or charge a fee per household. He stated that they do not know who is going to provide the service, but this issue cannot die here; they have got to move on and make a decision.

Gary Ludwig stated that whatever approach the county takes, standards need to be set for the provider, including the requirement that the provider has to provide insurance which includes indentifying the county.

Chris Jones, Treasurer, NEBCO Volunteer Fire Department, stated that presently, NEBCO provides service to the residents of the county at no cost. He stated that NEBCO's EMS negative net income has been made up for through fundraisers, donations by individuals, and incorporated cities and the sale of assets acquired through the merger with VAS Ambulance Service, Inc.

Rick Wilcox, Northwest Medical Transfer of Springdale, stated that he has a patient transfer business and currently does transports in Washington County.

Gary Ludwig expressed his appreciation for the opportunity to serve Benton County.

#### **Other Business**

None

After motion and second the meeting adjourned at 7:50 p.m.