

January 14, 2010

TO: Councilor Jack Henderson
Councilor Roscoe Turner
Councilor Chris Trail
Councilor John Eagleton
Councilor G.T. Bynum
Don Cannon, Council Administrator

Councilor Rick Westcott
Councilor Maria Barnes
Councilor Jim Mautino
Councilor Bill Christiansen
Jack Blair, Policy Administrator

CC: Mayor Dewey Bartlett, Chief of Staff Terry Simonson

FR: Stephen Williamson
President and Chief Executive Officer, EMSA

RE: Follow-up to January 12, 2010 meeting

During this week's Urban and Economic Development meeting, Tulsa City Councilors raised the issue of whether EMSA or a fire-based ambulance service is most cost-effective for our community. This issue has been studied several times during my tenure at EMSA, and I'm happy to share with you pertinent data.

As I mentioned on Tuesday, a large task force composed of city staff (including a member of Council staff), members of the medical community, Tulsa Fire Department representatives, EMSA personnel and others conducted an ambulance service study over a three-month period in late 2006. A lengthy, detailed report on both EMSA's and TFD's capabilities was produced by the City of Tulsa on January 8, 2007; it stated that utilizing a fire-based system would cost the city \$2.96 million more than your present system.

I have attached a copy of a cost summary page from the City's report for your review. It is important to note these figures assume TFD would realize the same collection rate as EMSA does, despite the fact that the group was unable to find a single city using fire-based EMS that had collection rates matching EMSA's. In other words, it is quite likely that Tulsa's price tag, as a result of reduced collections, would have been much more than an extra \$2.96 million. The financial burden of a fire-based ambulance service, coupled with the serious concerns about clinical care voiced by the medical community, made switching to a TFD-operated ambulance service undesirable.

EMSA's Board of Trustees reviews the authority's financial operations and efficiency each month. Comparisons to fire-based EMS services in other cities, as suggested by Councilor Bill Christiansen, haven't been part of our standard review. However, I appreciate the suggestion and will be adding this to our annual budget process each spring. EMSA staff completed some basic research to prepare the comparison data (see reverse) for your immediate review.

Ambulance Service Costs EMSA Compared to Fire-Based Models

To compare efficiency, staff looked at both the community's cost of each ambulance response, and also providers' ability to collect patient service revenue. Communities that enjoy low costs per response and high average collections are in the most financially advantageous position. EMSA figures used in the tables represent actual performance in 2009. Data for other providers is taken from their respective 2009-2010 budgets.

COST COMPARISON

| EMS PROVIDER | EMS COSTS | RECEIPTS | OTHER FUNDING | AMBULANCE RESPONSES | COMMUNITY'S COST PER RESPONSE (FUNDING/RESPONSES) |
|----------------------|--------------|--------------|---------------|---------------------|--|
| EMSA – Tulsa | \$20,939,000 | \$19,703,000 | \$5,473,000 | 82,384 | \$66.43 |
| EMSA – OKC | \$27,508,000 | \$21,564,000 | \$5,944,000 | 81,098 | \$73.29 |
| Dallas Fire Dept. | \$32,217,000 | \$19,250,000 | \$17,967,000 | 230,000 | \$211.96 |
| Memphis Fire Dept. | \$26,760,000 | \$15,500,000 | \$11,260,000 | 97,203 | \$115.48 |
| Nashville Fire Dept. | \$64,696,000 | \$6,115,000 | \$58,581,000 | 70,000 | \$836.87 |
| Tucson Fire Dept. | \$18,761,000 | \$8,960,000 | \$9,711,000 | 66,690 | \$145.03 |

NOTE: EMSA-Tulsa data based on operations in Tulsa and its suburbs. The City of Tulsa's contribution of other funding was \$4,824,000.

COLLECTION COMPARISON

| EMS PROVIDER | RECEIPTS | AMBULANCE RESPONSES | AVERAGE COLLECTION (RECEIPTS/RESPONSES) |
|----------------------|--------------|---------------------|--|
| EMSA – Tulsa | \$19,703,000 | 82,384 | \$239.16 |
| EMSA – OKC | \$21,564,000 | 81,098 | \$265.90 |
| Dallas Fire Dept. | \$19,250,000 | 230,000 | \$124.19 |
| Memphis Fire Dept. | \$15,500,000 | 97,203 | \$159.46 |
| Nashville Fire Dept. | \$6,115,000 | 70,000 | \$87.36 |
| Tucson Fire Dept. | \$8,960,000 | 66,690 | \$133.81 |

Thank you for your dedication and service to the citizens of Tulsa. Please do not hesitate to contact me at 596-3135 or Tina Wells at 596-3140 if we can be of further assistance.

Summary Annual Subsidy Comparison between EMSA and Proposed Fire Department Medical Transport Plans
 (Spreadsheet 4)

Modified November 28 Meeting Version based on Correcting Overstatement of Cumulative Savings - Total Savings of EMSA Model reduced from \$3.220M to \$2.960M.

| | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | Seven Year Total |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| 1 Total Fire Department Plan Implementation and Ongoing Cost | \$ 2,373,956 | \$ 10,370,671 | \$ 13,898,502 | \$ 15,301,334 | \$ 16,179,984 | \$ 16,927,343 | \$ 17,818,407 | \$ 92,870,198 |
| 2 Projected Fire Plan Revenue | \$ - | \$ 7,192,284 | \$ 12,023,000 | \$ 12,237,000 | \$ 12,482,000 | \$ 12,731,000 | \$ 12,957,000 | \$ 69,622,284 |
| 3 Projected Fire Department Subsidy | \$ (2,373,956) | \$ (3,178,387) | \$ (1,875,502) | \$ (3,064,334) | \$ (3,697,984) | \$ (4,196,343) | \$ (4,861,407) | \$ (23,247,914) |
| 4 Projected EMSA Costs Under Fire Department Plan | \$ 16,007,000 | \$ 5,419,590 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,426,590 |
| 5 Projected EMSA Revenue All Sources | \$ 13,208,000 | \$ 4,436,850 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17,644,850 |
| 6 Projected EMSA Eastern Division Subsidy | \$ (2,799,000) | \$ (982,740) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (3,781,740) |
| 7 EMSA Plan Subsidy Tulsa Share | \$ (2,538,594) | \$ (2,700,782) | \$ (2,941,476) | \$ (3,299,162) | \$ (3,700,000) | \$ (4,088,192) | \$ (4,540,948) | \$ (23,809,154) |
| 8 Fire Department Plan Subsidy | \$ (4,912,550) | \$ (4,161,127) | \$ (1,875,502) | \$ (3,064,334) | \$ (3,697,984) | \$ (4,196,343) | \$ (4,861,407) | \$ (26,769,248) |
| 9 Annual Savings/(Costs) to Change to Fire Department Plan | \$ (2,373,956) | \$ (1,460,345) | \$ 1,065,974 | \$ 234,828 | \$ 2,016 | \$ (108,151) | \$ (320,459) | \$ (2,960,093) |
| 10 Cumulative Savings/(Costs) to Change to Fire Department Plan | \$ (2,373,956) | \$ (3,834,301) | \$ (2,768,327) | \$ (2,533,499) | \$ (2,531,484) | \$ (2,639,635) | \$ (2,960,093) | NA |