

# Survival of the Fittest!

## AAP Seminar 2010

### Survival of the Fittest!



Hosted by:



Presented by:



### Disclaimer

The presenter is not an attorney and does not provide legal advice. The information contained in this presentation is intended for informational purposes only and should not be construed as legal advice or direction.

The presenter plans to share knowledge and practical experience with the attendees.

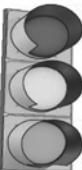
All attendees are advised to obtain professional legal advice from an attorney before implementing any material change in their subscription, billing, administrative; operational polices or any other matter which is governed by law or regulation.

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### Winds of Change

... coming soon to a neighborhood near you!

- Declining payments per trip:
  - Medicare Fee Schedule (below our average costs)
  - Managed Health Care
    - Rising Deductibles
    - New Co-payment Requirements
  - Medicaid Rates still below our costs!



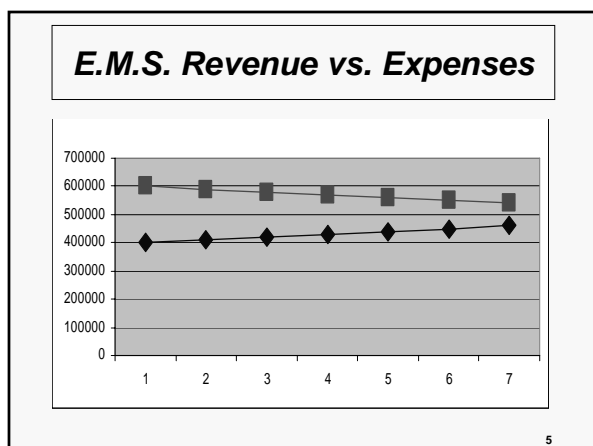
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### Winds of Change

... coming soon to a neighborhood near you!

- Ever-increasing Labor and System Costs
- Limited Subsidy:
  - Do our local elected official take us for granted???*
- Expensive new Medications and Technologies

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### Strategies for Success

- Reduce Expenses:
  - Staffing – Productivity and Utilization
  - Scheduling Efficiencies
  - Purchasing of Services, Equipment and Supplies
- Maximize Revenue:
  - Billing: Accuracy, Compliant and Efficient
  - Subscription, Donation & Capital Fund Drives
  - Federal and State Grants
  - Municipal Subsidy




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**Strategies for Success**

- **Utilization:**
  - Number of Ambulances Required
  - Number of Crews Required @ Day & Shift
- **Data Analysis:**
  - Review and Analyze Operational Data
  - Call log (time & date of calls, turnaround time)



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## Reducing Expenses

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**Unit Hour Utilization**

- **Conduct a thorough Unit Hour Analysis**
- **Conduct a Demand Analysis**
  - Obtain starting and ending time for each detail
  - Obtain deployment or total “turnaround” times
  - Look for “overlapping” responses
  - Identify number of hours that you have “0”, “1”, “2”, “3”... ambulance deployed simultaneously

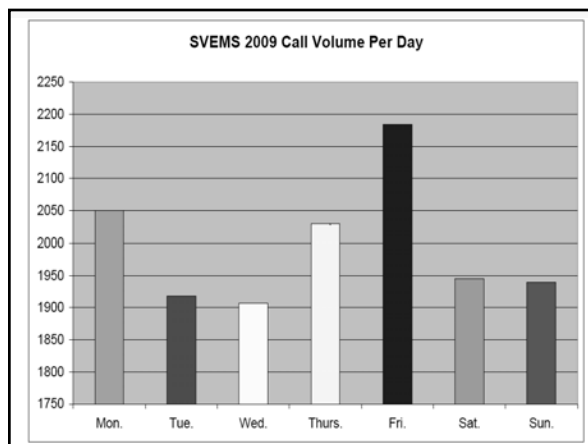
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Staffing

Ambulance Staffing	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Totals
Daylight	8.5	8.5	8.5	8.5	8.5	6.5	6.5	
Evening	7.5	7.5	7.5	7.5	7.5	6.5	6.5	
Midnight	6.5	6.5	6.5	6.5	6.5	6.5	6.5	
Total								Total Crews 161.5
								Shift Length 8
								Total MAH 1,212

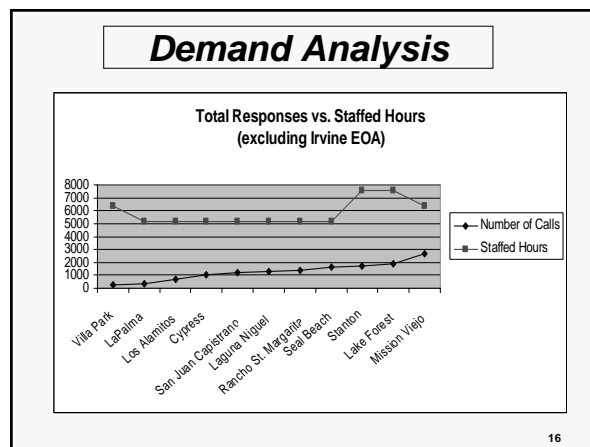
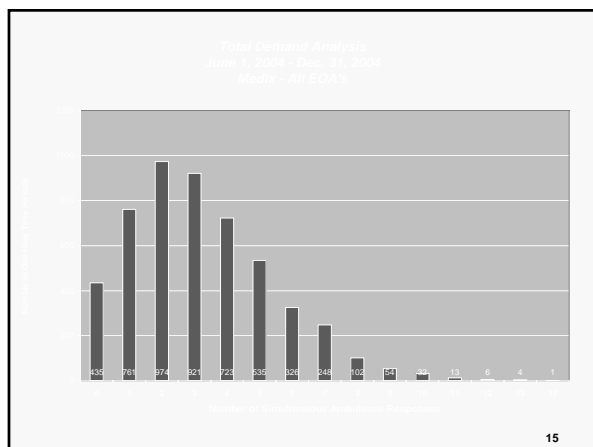
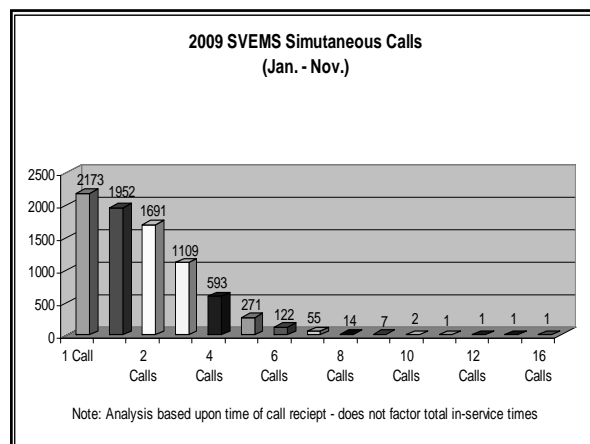
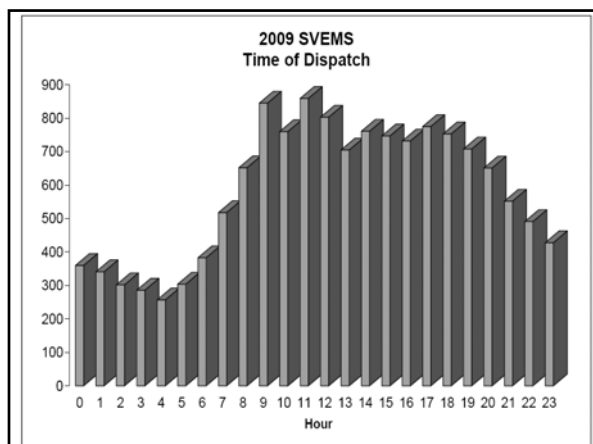
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Expenses		1,212	Manned Amb. Hours	
Total Calls	13,973	268.35	Calls per Week	
		22.1%	UH Utilization	
	8.00	1.77	Avg. Calls per Shift	
Expenses	\$ 4,056,563.37	\$ 77,905.96	Expenses @ Week	
		\$ 11,129.42	Expenses @ Day	
		\$ 64.28	Cost per Unit Hour	
		\$ 514.23	Cost per Shift	
		\$ 290.31	Cost per Call	
		\$ 60.97	Non Transported	21%
		\$ 130.64	Collection Percentage	55%
		\$ 481.92	Billed Amt. Per Call	



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**Productivity Guidelines**

Overall unit hour utilization (“UHU”):

- .55 - .45 – High Utilization
- .45 - .35 – Above Average Utilization
- .35 - .25 – Average Utilization
- .25 - .15 – Below Average Utilization
- .15 - .01 – Low Utilization

**Key Issues**

- Are you over or under staffed?
- Identify dates, times or shifts which can be adjusted
- Do your current scheduling practices match your company's needs?
- Do your current scheduling practices match your employee's needs?
- Provide employee's with input into the decision making process!

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### Key Issues

- How many calls do you “miss” of request mutual aid on each month?
- What is an acceptable level of missed calls?
- Joint staffing solutions?
- Shared Employees?
- QRS alternatives?
- Employee on-call system?

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### Key Issues

- What are your current Response Times?
- Response times by call priority?
- Low Response times typically equate to higher costs!

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### Employee Scheduling

- Conduct a thorough Overtime Analysis
- Overtime is inherent and unavoidable in our industry;
- However, there is regular overtime vs. “stupid” overtime!
  - Failure to plan!
  - Unbalanced Overtime!
  - Unfair distribution of Overtime!

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### Employee Scheduling

- How do you manage your current Schedule and Overtime?
  - Most “time consuming” and “least-liked” management issue!
  - Electronic Scheduling tools are available
  - Obtain employee input on schedule and implementation of new tools
  - Develop consensus based scheduling rules
    - Balance, Fairness, Seniority

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### Bottom Line

*Every system is different and must be evaluated independently*

- How much money can be saved through schedule and staffing changes?
- How will staffing and schedule changes affect patient care; response times and the number of missed calls?

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### Managing Expenses

- How many non-revenue support vehicles do you have in service?
- Do you ask and verify governmental or non-profit pricing and discounts?
- Participate in Co-Op purchasing?
- Can you purchase employee benefits or purchase capital items through a group plan?
- Do you bid for Workers Compensation and Insurance Programs?

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### Maximizing Revenue

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### Proactive Billing and Collection

- Conduct an objective review of your entire billing and collection process
- 90-120 internal Collection Process
- Use of a *clearinghouse* and other technology to achieve “Real Time” Claim Access
- Offer discount for prompt payment!

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### Proactive Billing and Collection

- Use of Electronic Funds Transfer
- Pre-verify Insurance Status:
  - On every patient
  - Prior to billing
  - enhances cash flow; minimizes claim and payment processing time
  - Decreased number of claim rejections

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### E.M.S. SUBSCRIPTIONS

- Still a great source of stable revenue!
- Can be helpful in offsetting other declining revenue sources
- Can save subscribers hundreds of dollars!!!
  - Deductibles and Co-Pays are rising!
  - Great Marketing Theme!

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### Co-Pays and Deductibles

- **Impact of Rising Co-Pays and Deductibles:**
  - Have you conducted an actuarial analysis?
  - Do you have subscription terms and conditions?
  - Conduct a thorough analysis to determine if it is time to reconsider terms
    - Hold patient's responsible for either co-pay or deductible amounts?

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### SUBSCRIPTION PAYMENTS

- Use of the Internet
  - Establish Secure Internet Web Site for Application
  - Credit Card Payments
  - Remember about the Red Flag Rules!
  - Discount for on-line payment?

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### SUBSCRIPTION PAYMENTS

- Redesign your Web Site:
- Online Membership Application
  - Must be a secure site!
- Discounts for Internet Sign-up?

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### Business Subscription Programs

- Do They Work?
  - Many businesses think they do not need to pay additional amounts
  - Already paying taxes and insurance premiums
  - Typically 10% is the average return
  - How about a barter arrangement?
- Who is Covered?
  - Customers?
  - Employees while at work?
  - Employee's Family Coverage?

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### Capital Fund Drives

- Do They Work?
  - Yes, most clients receive a positive return
  - Set realistic goals
  - Consider multiple year projects

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### Municipal Relationships

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### E.M.S. Municipal Subsidy

- *Municipal subsidy levels vary widely from community to community*
  - *None*
  - *Partial*
    - Indirect expenses such as Volunteer Workers Compensation premiums, fuel expenses, building / utility costs
    - Direct - Annual donation or subsidy
    - Dedicated % of Real Estate Tax
    - Annual amount based upon budget request

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### 3 Bills – 3 Acts One Purpose!!!

Signed into PA Law - March 17, 2008

Effective - May 17, 2008

- SB-7 of 2008 – 2<sup>nd</sup> Class Townships
- SB-8 of 2008 – Boroughs
- SB-9 of 2008 – 1<sup>st</sup> Class Townships

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### Act 7 of 2008

***“The township shall be responsible for ensuring that fire and emergency medical services are provided within the township by the means and to the extent determined by the township including the appropriate financial and administrative assistance for those services”***

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### Act 7 of 2008

***b) The township shall consult with the fire and emergency medical services provides to discuss the emergency service needed of the township.***

***(c) The township shall require any emergency services organizations receiving township funds to provide to the township an annual itemized listing of all expenditure of these funds before the township may consider budgeting additional funding to the organization***

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### What does this mean to you?

***Great opportunity to conduct regular discussions with your local elected officials!!!***

***The laws do not mandate municipal subsidies!!***

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### What does this mean to you?

***However, the laws do solidify the fact the municipality has the right and responsibility to designate its respective emergency service providers!!***

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### What does this mean to you?

#### ***CAUTION:***

***Remember the old saying....***

***Be careful on what you ask for  
...because you might just get it!!!***

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### Summary

- Be open minded and prepared! Be vigilant!
- Expect setbacks! Don't overreact!
- Unify! Coordinate and work together with other local, regional and state entities!!!
- Recognize and understand the political and financial realities (local, regional, state and federal)
- Good Luck!

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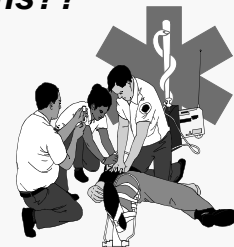
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### Questions??



**THANK YOU FOR PARTICIPATING  
IN THIS SESSION!!!**

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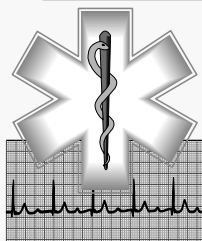
**J.R. Henry**  
CONSULTING INC.



J.R. Henry, EMT-P  
535 Perry Highway  
Pittsburgh, PA 15229  
(412) 736-4163 (412) 291-3434 (fax)

[jrhenry@emsconsult.org](mailto:jrhenry@emsconsult.org)

### Sample Municipal Talking Points



Presented By:

**J.R. Henry**  
CONSULTING INC.

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### E.M.S. Municipal Subsidy

- Provide a **brief** overview of the services you provide!
- Share some **concise** operational, financial and administrative facts;
- **Focus on the quality of your services such as:** response time **benchmarks**, training issues

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### Critical Public Safety and Health Services Provided



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### ***E.M.S. Municipal Subsidy***

- ***Focus on the issues related to 24 / 7 coverage including “the cost of readiness”***
- ***Do you know what your actual costs are?***
- ***What is your Unit Hour Utilization?***
- ***Productivity levels?***

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### ***E.M.S. Municipal Subsidy***

- **Keep in mind that most municipalities have limited resources !!!**
- **You are competing for funding priority with every other existing municipal service**
- **We are the “new kids on the block”**

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### ***E.M.S. Municipal Subsidy***

- **Obtain a better understanding and recognize that this is a ongoing political and financial process!**
- **Education is a key component of the process!**
- **Set realistic goals and objectives!**
- **Adjust or limit your expectations!**

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### ***E.M.S. Municipal Subsidy***

- **Be careful not to deliver *ultimatums* !!!**
- **Elected officials do have alternatives!!!**
  - Contracting with other for profit / non-profit entities
  - Contracting with mutual aid companies
  - Splitting service area;
  - Consolidation

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