EMERGENCY AMBULANCE SERVICE ECONOMICS

10 Minute Overview
Revenue

• Two Primary Revenue Sources Available
  – Ambulance Fees
  – Community Tax Support

• Washington County does not use taxes to fund Emergency Ambulance Services
Revenue

- User Fees are Only Assessed When the Response Results in a Transport to an ED
- User Fees are Established by Washington County Using a CPI-U Formula
- Medicare & Medicaid Reimburse at a Rate Far Below the User Fees
Revenue

• The Difference Between the Rate Charged and the Reimbursed Amount is called Contractual Allowance
  
  – This Difference is Absorbed by the Provider
  
  – Contractual Allowances Produce Diminishing Returns When Rates are Increased
Revenue

• The Payer Mix in Communities Impacts Collection Performance

• Medicare & Medicaid Patients are About 62% of the Payer Mix in Washington County. Both are increasing rapidly

• Rising High Deductibles are Currently Impacting Collection Performance
Expenses

- Personnel Costs
- Vehicles & Fleet Maintenance Costs
- Medical Supply & Equipment Costs
- Communication Center Costs
Expenses

• Building & Facilities
• Administrative and Other Operating Costs
• Cost of Readiness = 60% of a Unit Hour
• Franchise Fee-$467,000 annually
Financial Solvency

• Productive Billing/Collection Strategies

• Data Collected From Field Personnel is the Most Important Source for starting the Billing & Collection Cycle

• Accounts Should not Remain Active for more than 120 Days
Financial Solvency

- External Oversight Required
- Washington County
- Commission on Accreditation of Ambulance Services (CAAS)
- External Audit & Legal Review
Financial Solvency

- Effective UHU Management
- Economies of Scale
- MANY Other Operational Efficiencies
- Feature Article in EMS World 5 Years Ago
Comparison of Rates

- **Washington County:**
  - ALS $733.92  BLS $514.15
  - Mileage $12.58

- **Multnomah County:**
  - ALS $1,008.92  BLS $1,008.92
  - Mileage $23.17

- **Newberg : (Tax Supported?)**
  - ALS $1,690.80  BLS $1,690.00
  - Mileage $22.19

- **McMinnville (Tax Supported?)**
  - ALS $1,685  BLS $1,685
  - Mileage $23.00

- **Clackamas County:**
  - ALS $1,089.00  BLS $1,089.00
  - Mileage $22.81
Comparison of Rates

- Washington County
- Multnomah County
- Newberg ASA
- Clackamas County
- McMinnville ASA
Comparison of Rates

![Graph comparing rates for different counties. The graph shows the mileage costs for Washington County, Multnomah County, Newberg ASA, Clackamas County, and McMinville ASA. The costs range from $10.00 to $25.00.]
Questions

Thank You