



Carlton Fire & Ambulance Financial Support Request

- ◆ Carlton Fire & Ambulance (CFA) is requesting financial support for ambulance operations. This support is necessary to ensure the reliability of ambulance responses to all requests for service within the Primary Service Area.
- ◆ CFA currently utilizes a paid-on-call staffing model. Ambulance staff do not consider working for CFA as their primary employment. Most work on the ambulance as a second job or as a part-time job while attending college.
- ◆ This staffing model has become outdated and is in need of change. The City of Carlton has committed to taking the first step toward a new staffing model by working toward the hiring of a full-time Ambulance Manager and a full-time EMT. The addition of full-time employees will relieve the staffing strain and increase the reliability of the services response capabilities.
- ◆ City of Carlton is asking each of the municipalities served to provide funding necessary to keep the ambulance service solvent and operating at a high capacity today and into the future. We ask that you commit to working with us to identify an equitable funding mechanism to ensure the ambulance continues to serve the citizens and visitors to our communities.

Carlton Fire & Ambulance (Ambulance Division)

- ◆ Owned and operated by the City of Carlton
- ◆ Licensed as a Basic Life Support (BLS) Ambulance by the Emergency Medical Services Regulatory Board
- ◆ One unit staffed 24 hours/day 7 days/week, second unit is staffed when needed and when personnel are available.

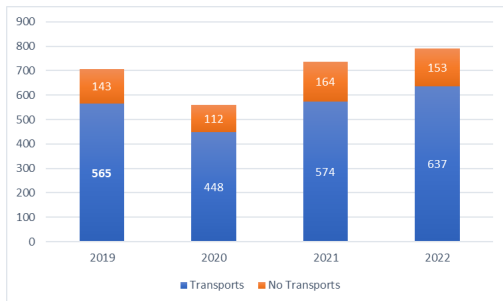
Primary Service Area

- ◆ Defined by the Minnesota Emergency Medical Services Board (map and description attached)
- ◆ Covers 160 miles² all in Carlton County
- ◆ Population of approximately 10,000

Carlton County

- ◆ Population: 36,207 (2.3% increase from 2010)
- ◆ 18% of population is age 65 or older
- ◆ 24% of population enrolled in Medicaid
- ◆ Median household income: \$68,579

Call Volume



- ◆ 3% increase in volume year-to-year over the past three years
- ◆ 2.29 calls for service/day
- ◆ 1 hour 23 minutes - average length of a call
- ◆ 87% of each day is spent “on call”
- ◆ 42% of calls occur Monday through Friday from 6am to 6pm
- ◆ 37% of calls occur from Friday at 6pm to Monday at 6am
- ◆ Saturday and Sunday are the busiest days of the week

Staffing & Leadership

- ◆ Staffed by Emergency Medical Technicians (EMT) and Emergency Medical Responders (EMR) when needed
- ◆ A majority staff meet the definition of volunteer per Minnesota Statute 144E.001 subdivision 15
- ◆ Those staff considered volunteers are eligible to earn Cooper-Sams Longevity Fund credits for each year of service. One credit has a value of \$447.19.

| CFA Roster Staff | |
|------------------------------------|----|
| Emergency Medical Responder (EMR) | 13 |
| Emergency Medical Technician (EMT) | 41 |
| Cadets | 1 |

| Staff Longevity | |
|-----------------|----|
| 0-2 years | 21 |
| 3-5 years | 20 |
| 6-10 years | 11 |
| 11+ years | 3 |

- ◆ EMRs and EMTs are paid an hourly wage ranging from \$8 to \$14/hour
- ◆ Staff must be within a reasonable distance from the Fire Hall when on duty
- ◆ A part-time Ambulance Manager is employed at 10 hours/week
- ◆ 2021 Ambulance payroll exceeded \$245,000

Carlton Fire & Ambulance Financial Support Request continued

Funding

- ◆ Ambulance budget is set by the Carlton City Council
- ◆ Fees billed for ambulance transports account for nearly 90% of revenue
- ◆ Contributions from municipalities served and a Medicaid Match program make up the remaining 10% of revenue

| Per Call Income and Expense - 2019 | |
|------------------------------------|--------------|
| Income | 443,630 |
| Calls | 708 |
| Income/Call | \$627 |
| Expense | 540,244 |
| Calls | 708 |
| Expense/Call | \$763 |

| Per Call Income and Expense - 2022 (projected) | |
|--|--------------|
| Income | 464,311 |
| Calls | 790 |
| Income/Call | \$588 |
| Expense | 545,890 |
| Calls | 790 |
| Expense/Call | \$691 |

- ◆ Ambulance staff salaries are the largest expense.
- ◆ \$300,000 - cost of an ambulance with power lift cot and mounting system
- ◆ EMT training cost = \$2,000
- ◆ EMR training cost = \$1,000

Billing and Collections

- ◆ Patients are billed when transported or when treated at the scene and released
- ◆ \$1,100 - Base rate charged for patients who reside in municipalities that contribute to the Paid-On-Call Program
 - ◆ \$20 - Mileage rate billed for miles the patient is transported
- ◆ \$2,000 - Base rate charged for all other patients
 - ◆ \$30 - Mileage rate billed for miles the patient is transported

| 2021 Billing and Collections | |
|------------------------------|-----------|
| Total Billed Charges | 1,075,245 |
| Cash Collected | 440,589 |
| Allowances | 592,606 |
| Write offs | 2,278 |
| Runs Billed | 596 |
| Average Charge | 1,804 |
| Average Cash Collected | 739 |
| Average Allowance | 994 |

| 2021 Payor Mix | |
|-----------------|-----|
| Medicare | 34% |
| Medicaid | 35% |
| Commercial | 18% |
| Other Insurance | 11% |
| Private Pay | 2% |

| Medicare Reimbursement Model | | | |
|-------------------------------|-----|--------|------------------|
| Charges | Qty | Rate | |
| Base Rate (resident) | 1 | 1100 | 1,100 |
| Mileage Billed | 15 | 20 | 300 |
| Total Charges | | | \$ 1,400 |
| Payment | | | |
| Base Rate | 1 | 406.25 | 406.25 |
| Mileage | 15 | 12.15 | 182.25 |
| Total Payment | | | \$ 588.50 |
| Contractual Adjustment | | | (811.50) |

| Commercial Insurance Reimbursement Model | | | |
|--|-----|------|--------------------|
| Charges | Qty | Rate | |
| Base Rate (resident) | 1 | 1100 | 1,100 |
| Mileage Billed | 15 | 20 | 300 |
| Total Charges | | | \$ 1,400 |
| Payment | | | |
| Base Rate (80% of charge) | 1 | 880 | 880.00 |
| Mileage | 15 | 16 | 240.00 |
| Total Payment | | | \$ 1,120.00 |
| Contractual Adjustment | | | (280.00) |

| Private Pay Reimbursement Model | | | |
|---------------------------------|-----|------|-------------------|
| Charges | Qty | Rate | |
| Base Rate (resident) | 1 | 1100 | 1,100 |
| Mileage Billed | 15 | 20 | 300 |
| Total Charges | | | \$ 1,400 |
| Payment | | | |
| Base Rate (20% of charge) | 1 | 220 | 220.00 |
| Mileage | 15 | 4 | 60.00 |
| Total Payment | | | \$ 280.00 |
| Contractual Adjustment | | | (1,120.00) |

Financial Modeling & Current Funding Formula

| Ambulance Income Statement Model | | |
|----------------------------------|--------------------|---------------------|
| | 2022 | 2023 Projected |
| Revenue | | |
| Fee for Service | 464,311 | 464,311 |
| Medicaid Match Revenue | 33,797 | 33,797 |
| Subsidies and Levies | 37,570 | 37,570 |
| Carlton County Vehicle | 15,000 | 15,000 |
| Miscellaneous Revenue | 2,000 | 2,000 |
| NET REVENUE | 552,678 | 552,678 |
| Expenses | | |
| Salaries & Benefits | | |
| Ambulance Staff | 225,000 | 379,624 |
| Management & Support | 48,000 | 40,700 |
| Other | 242,390 | 242,390 |
| Depreciation | | |
| Vehicles | 50,000 | 50,000 |
| Equipment | 14,000 | 14,000 |
| TOTAL EXPENSE | 579,390 | 726,714 |
| NET INCOME | \$ (26,712) | \$ (174,036) |

| 2022 CFA AMBULANCE FUNDING REQUEST FORMULA | | | | | | | |
|--|-----------------------|----------------|------------------|-----------------|----------------|------------------|------------------|
| Municipality | 2020 Net Tax Capacity | Percentage | Billable Amount | 2020 # of Calls | | Billable Amount | TOTAL |
| Carlton, City of | 663,239.00 | 7.86% | 3418.55 | 202 | 41.82% | 18,192.55 | 21,611.10 |
| Wrenshall, City of | 340,559.00 | 4.04% | 1755.35 | 28 | 5.80% | 2,521.74 | 4,277.09 |
| Atkinson Township | 368,000.00 | 4.36% | 1896.79 | 13 | 2.69% | 1,170.81 | 3,067.60 |
| Blackhoof Township | 768,305.00 | 9.10% | 3960.09 | 36 | 7.45% | 3,242.24 | 7,202.33 |
| Mahtowa Township | 95,000.00 | 1.13% | 489.66 | 12 | 2.48% | 1,080.75 | 1,570.41 |
| Silver Brook Township | 2,019,527.00 | 23.93% | 10409.30 | 10 | 2.07% | 900.62 | 11,309.92 |
| Thomson Township | 534,000.00 | 6.33% | 2752.41 | 4 | 0.83% | 360.25 | 3,112.66 |
| Twin Lakes Township | 2,948,962.00 | 34.94% | 15199.91 | 117 | 24.22% | 10,537.27 | 25,737.17 |
| Wrenshall Township | 346,838.00 | 4.11% | 1787.72 | 12 | 2.48% | 1,080.75 | 2,868.46 |
| Sawyer Township | 355,086.00 | 4.21% | 1830.23 | 23 | 4.76% | 2,071.43 | 3,901.66 |
| Black Bear Casino | | | | 26 | 5.38% | | 2,341.61 |
| | 8,439,516.00 | 100.00% | 43,500.00 | 483 | 100.00% | 43,500.00 | 87,000.00 |

Prepared by: **OakPoint, Inc.**

32527 State Highway 1 NW
Warren, MN 56762
(218)201-0098
info@oakpointinc.com