

2/16/2024

I. Proposal for the Provision of ALS and Ambulance Transport For the City of Pflugerville

The District offers three pricing options to provide advanced life support first response and ambulance transport service in the City of Pflugerville.

The service provided would include:

- Full spectrum emergency medical services including advanced life support first response and ambulance transport. The system would be comprised of six ambulances, with four ambulances stationed at ESD No. 2 fire stations inside the City limits. The EMS system is able to staff up to 8 ambulances in disaster situations.
- Advanced life support first response capability would be increased from the current two fire stations within the City, to four fire stations. This means first response crews responding from these locations would have advanced life support equipment and capabilities for first response (compared to basic life support only).
- Noted limitations are that this request to provide service is coming within an already approved budget year. In order to meet Travis County EMS total response time standards (12 minutes or less for priority 1 & 2 calls for ambulances, and 8 minutes or less for ALS first response on 90% of incidents), a minimum of one additional ambulance would be need to be added to the system for a total of 7 full time ambulances. It could ultimately require 8 ambulances to meet performance requirements. It should also be noted Austin EMS call processing time (the time it takes for Austin EMS dispatchers to receive a 911 call, triage it, and then dispatch first response and ambulances to an incident) is just over 3:40 minutes (approximately) at the 90th percentile. This time has almost doubled over the last two years. If call processing is not included in total response time for the purposes of this agreement, then the District's assignment to arrival response time meets the current standard.

II. Pricing Options For the City of Pflugerville

Option 1 - Reimbursement with Billing Offset: This option assumes utilizing the District's current EMS billing rates and policies; the District will continue to bill for EMS services provided and collect/keep the related revenue which offsets the District's cost to provide the service. Pricing includes the assumption of a revenue offset.

Annual cost to City of \$2,000,000 (July 2024-June 2025)

The City's desired contract term of July 2024 to September 2025 exceeds 12 months so the City's cost to begin providing this service from July 2024 to September 2025 would be prorated to cover the costs for those months for a total first contract term cost of **\$2,500,000 (July 2024-September 2025)**.

Option 2 - City of Pflugerville Manages EMS Billing, & Reimburses ESD No. 2: The City would establish its own billing rates, processes and policies for services provided in the City of Pflugerville boundaries and all billing and revenue would be managed and owned by the City. This would allow the City to increase rates to the level they chose to offset the EMS costs paid to the District and the District would provide the needed data for billing to the City.

Annual cost to the City of \$2,500,000 (July 2024-June 2025). If the City increased fees, the net expense to the City could be less than \$2,500,000, but regardless of the billing revenue amount, all billing revenue would remain with the City. Data provided by the City's private ambulance providers could be utilized by the City to estimate the potential revenue from higher fees.

The City's desired contract term of July 2024 to September 2025 exceeds 12 months so the City's cost for July 2024 to September 2025 would be prorated to cover the costs for those months for a total first term cost of **\$3,125,000 (July 2024-September 2025)**.

Option 3 - City of Pflugerville Grants ESD No. 2 Exclusive Franchise Agreement: The District would provide limited interfacility ambulance transportation to the hospital emergency departments located in the City of Pflugerville through a franchise agreement. The annual revenue from this enterprise is estimated to be up to \$1,000,000 and the District would reduce the Option 1 cost of \$2 million by this amount. Due to this being a new enterprise, it is difficult to predict the exact revenue without the historical experience. This option would require an end of fiscal year true up based on actual billing revenue collected.

Estimated annual cost to City of \$1,500,000 (July 2024-June 2025)

The City's desired contract term of July 2024 to September 2025 exceeds 12 months so the City's cost for July 2024 to September 2025 would be prorated to cover the costs for those months for a total first term cost of **\$1,875,000 (July 2024-September 2025)**.

III. FY 2023 Ambulance Transport Expense Allocation Methodology

Fire-based EMS systems are so intertwined that identifying an exact itemized cost of providing EMS and the Incremental Cost of also having Ambulances providing ALS Transport is not feasible. Expenses that are solely related to Ambulances such as the cost of purchasing and maintaining the ambulance are easily identified and included directly to the Ambulance transport cost, but blended use expenses such as firefighter salaries and benefits, EMS supplies and facilities have to be allocated based on various allocation methodologies. The methodologies utilize data including call volume and response types, staffing assignments and facility uses. Each expense is analyzed to determine the appropriate methodology to estimate the expense applicable to Ambulance Operations versus all other Operations.

IV. ESD No. 2 Annual Expenses For Advanced Life Support (ALS) and Ambulance Transport Service (the total cost of the Fire Based EMS system).

Based on FY 2023 Actual Expense and Revenue

A. Total expense for EMS response (includes first response and ambulance) (total Department FY23 expense for ESD No. 2 is \$40,609,790)	\$28,224,076
B. Total incremental cost of providing ambulance transport with administrative overhead:	\$13,065,401
C. Administrative Overhead:	<u>\$ 2,922,187</u>
D. Incremental Cost of providing Ambulance transport with no overhead (all overhead covered solely by ESD No. 2)	\$10,143,214
E. Ambulance Supplemental Payment Program Revenue: (*FY22 amount received in FY23)	\$ 819,796*
F. FY23 Net Payment Program Billing Revenue:	<u>\$ 1,299,317</u>
G. FY23 Net Ambulance Expense (Line D minus lines E, and F)	\$ 8,024,102

Estimated Cost of Ambulance Transport (Cost with no Revenue Offset)		
ESD17	28%	\$ 2,840,100
COP	50%	\$ 5,071,607
County	22%	\$ 2,231,507
		\$10,143,214

Incremental cost of ambulances (no overhead)	\$10,143,214
Ambulance Supplemental payment program for FY22 (rec FY23)	\$ 819,796
FY23 Actual Net EMS billing Revenue	\$ 1,299,317
Net ambulance expense FY23	\$ 8,024,102

V. **Total estimated net cost to provide ALS and ambulance transport services to the City of Pflugerville is \$4,012,051.** ESD No. 2 contributes 50% from its tax revenue, leaving a balance of - **\$2,006,026.**

ESD17	28%	\$ 2,246,748	\$1,116,254	50%	ESD17 ILA Contracted payment (FY23)
City of Pf	50%	\$ 4,012,051	\$2,000,000	50%	City of Pf
County	22%	\$ 1,765,303	\$ 818,586	46%	Travis County ILA Contracted payment (FY23)
		\$ 8,024,102	\$3,934,840	Total	
			\$4,089,262	51%	ESD2