



## The Situation

- Sale tax declines
  - MO ↓ 6%
  - TX ↓ 11%
  - GA ↓ 7.3%
  - WY ↓ 21%
- Nearly 50 million in US do not have insurance
- Obama vows to reduce healthcare costs
- Health reform—how will that affect EMS?
- Constituent expectations remain high



3-R

## What does it mean for EMS?

- **Unemployment**
  - As more become unemployed, they also lose insurance (COBRA not viable for most)
  - Uninsured patients defer preventive care
  - Uninsured patients are more likely to use EMS to access healthcare
  - Decreased Income Tax revenue
- Result is fewer can pay ambulance bills, decreasing revenue and more may use ambulances increasing costs



4-R

## What does it mean for EMS?

- ***Drop in housing prices and large number of foreclosures***
  - Reduced tax revenue from property taxes
  - Long-term reestablishment of property values
  - Further impacted by decreases in new construction
  - Increased homelessness
  - Subsistence becomes highest priority
- Less revenue for tax supported EMS and increased utilization



5-R

## What does it mean for EMS?

- ***States facing deficits***
  - Less money from state for local jurisdictions (cities & counties)
  - Decreases in Medicaid funding
  - Holding back ambulance payments and/or IOUs
- Less revenue for EMS



6-R

## What does it mean for EMS?

- ***Sales tax decline due to people spending less***
  - Loss of sales tax revenue from durable goods (i.e. autos)
  - Fewer miles being driving = less tax revenue
- Less money for state and local jurisdictions (cities & counties)
- Decreased revenue for EMS supported by sales tax revenue



7-R

## What does it mean for EMS?

- ***Healthcare changes***
  - How does the executive branch intend to reduce healthcare costs—Medicare and Medicaid cuts and \$600 billion in new taxes
  - Federal and State governments are seeking to recoup money from healthcare providers
- Impact on EMS is unknown—EMS reimbursement is based on utilization which is the target of elimination in many healthcare reform plans



8-R

## What is EMS doing?

- Blanket budget cuts (i.e. 10% from last year)
- Layoffs / Hiring freezes
- Labor concessions
- Benefit cost reductions (less matching for retirement, greater employee share of health insurance costs, elimination of benefits)
- Defined benefit programs under attack and underfunded



9-M

## What is EMS doing?

- Station / unit closures
- Brownouts
- Line item budget reductions (i.e. capital equipment, travel, training)
- Reducing performance standards
  - Lengthening response times
  - Downgrading level of care (i.e. ALS to BLS)



10-M

## What's wrong with the EMS response?

- Cuts being made without understanding consequences
- Many assume it will be better “next year” so they avoid making long-term decisions— “looking for band-aids”
- Avoiding fundamental problems of core cost structure and not focusing on system costs versus organizational costs



11-M

## What's wrong with the EMS response?

- Focusing on maintaining status quo versus long-term stability
- Focus on EMS providers and not on patients
- Unable to demonstrate value and rely on anecdotal information and emotions rather than research and facts to support our positions
- Win/lose positioning



12-M

## What should EMS be doing?

- Using the crisis to generate opportunities to evaluate our core mission
- Move back to basics—ensure we deliver services that matter to our patients and communities
- Focus on system-wide economics to ensure effectiveness, efficiency, and economy



13-R

## What should EMS be doing?

- Document baseline performance and activity to measure consequences of changes, reductions, or expansion
- End the turf battles and focus on what services should be delivered and how rather than WHO
- Maximize revenue recovery from healthcare and other sources



14-R

## What should EMS be doing?

- End reliance on traditions and entitlement mentality to re-engineer EMS to the benefit of its patients
- Do not let EMS be held hostage by the politicians, agencies, and employees



15-R

## Warnings!

- Brownouts distribute the pain throughout the community at the expense of its patients
  - EMS responses are not equally distributed throughout a community—closing a station/unit in a low risk, low volume area will minimally impact patient response. Closing a station in a high volume area will impact many patients.



16-M

## Warnings!

- When the rationale is that “We have always done it that way.”
  - Most of us have never seen such an economic crisis, and this situation requires new strategies to overcome.



17-M

## Warnings!

- Increasing charges only generates a marginal increase in revenue.
- Line item cuts have long-term consequences. EMS should continue to fund the activities and equipment that enhance patient care and increase long-term operational and financial stability.



18-R

## Warnings!

- Failure to invest in your human capital will have negative long term consequences on your organization, your patients, and your bottom line



19-R

## What should we do?

- Know our business—
  - Quantify demand
  - Benchmark performance
  - Calculate cost/benefit of each activity
  - Define expectations
  - Plan strategically and tactically



20-R

## What should we do?

- Share our knowledge with decision-makers
  - Identify the cost of performance
  - Share the consequences of decreased funding



21-R

## What should we do?

- Think “outside of the box”
  - Show our value
  - Examine and plan from the system perspective rather than an individual agency
  - Identify and deliver the services that positively impact patients



22-R

## What should we do?

- Don't be afraid to challenge the traditions and myths of EMS
  - Response times
  - Shift lengths
  - ALS vs. BLS
  - Number of responders
  - Response resources
  - Emergency vs. non-emergency
- EMS System needs vs. stakeholder desires



23-R

## Questions?

Additional questions can be forwarded to presenters for personal responses. Send questions to:

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