

EMS & the Economic Crisis Past and Present

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The Situation

- Deepest economic crisis since the Great Depression
- Unemployment rate reaches 9.8% and double digits in many states
- Housing prices have dropped 32% since Q2 2006
- At least 48 states faced a deficit in July

The Situation

- Sale tax declines
 - MO ↓ 6%
 - TX ↓ 11%
 - GA ↓ 7.3%
 - WY ↓ 21%
- Nearly 50 million in US do not have insurance
- Another 30 million are under insured
- Obama vows to reduce healthcare costs
- Health reform—how will that affect EMS?
- Constituent expectations remain high

U.S. NATIONAL DEBT CLOCK

The Outstanding Public Debt as of
09 Oct 2009 at 01:29:28 PM GMT is

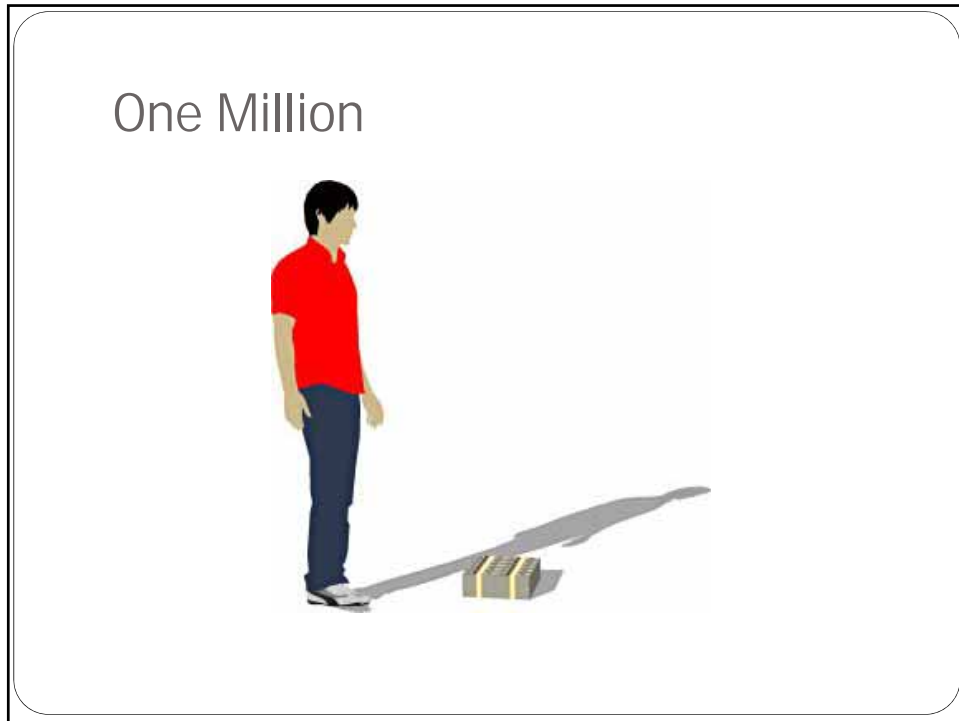
\$11,932,208,135,759.01

2009 Federal Deficit – 1.4 Trillion

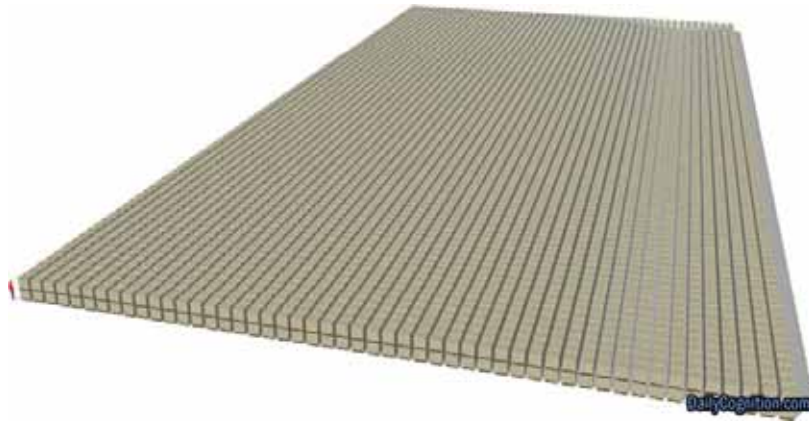
- The fiscal year ended Sept. 30. The previous record deficit -- \$459 billion -- was set just a year ago.
- The number of U.S. households is estimated to be about 116 million. Each household's cut of the \$1.4 trillion deficit is \$12,069.
- The population of the U.S. is estimated to be about 305 million. Each person's share of the \$1.4 trillion deficit is \$4,590.

Ten Thousand





One Trillion



The EMS Current Situation

- Increasing calls due to medical safety net and reduced insurance
- Decreasing budgets and dollars
- Increasing OIG oversight (ROI \$17 to \$1)
- Fights between segments (pvt/fire/hosp)
- Kelvin Cochran USFA
 - City 1-3 year, Fire 3-5 year recovery from bottom



- **NYT: Obama aides act to fix safety net**

- Officials eye 'additional potential strategies for accelerating job creation'
- By Jackie Calmes
- **The New York Times**
- updated 10:56 p.m. CT, Mon., Oct . 5, 2009
- WASHINGTON - With unemployment expected to rise well into next year even as the economy slowly recovers, the Obama administration and Democratic leaders in Congress are discussing extending several safety net programs as well as proposing new tax incentives for businesses to renew hiring.

- Posted by Elizabeth Strott on Monday, October 5, 2009 8:08 AM
- Unemployment will continue to rise, predicts former Federal Reserve Chairman Alan Greenspan.
-
- The jobless rate is likely "to penetrate the 10% barrier and stay there for a while," Greenspan told ABC's "This Week" with George Stephanopoulos on Sunday.
-
- While the employment situation is bound to improve at some point, Greenspan said, unless there is an "increase of more than 100,000 a month, you've still got the unemployment rate continuing to rise."

Jobs Lost and Recovery

- Job recovery will take years Though GDP data show the economy may have hit bottom, the impact of the 7.5 million jobs lost to recession will linger for years.
- **State** **Est. jobs lost** **Est. date of recovery**
- Michigan -556.6 after 2015
- Arizona -264.0 2014
- Florida -699.7 2014
- Nevada -103.3 2013
- Oregon -128.6 2014
- Ohio -392.1 after 2015
- Rhode Island -35.2 after 2015
- California -1035.0 2013

Jobs Lost and Recovery

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• State	Est. jobs lost	Est. date of recovery
• Utah	-52.6	2011
• Hawaii	-25.6	2012
• Iowa	-62.5	2013
• Washington	-117.7	2012
• Arkansas	-46.6	2012
• Missouri	-106.2	2012
• New York	-338.7	2012
• Pennsylvania	-217.1	2012

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



- *By Karey Wutkowski* – Wed Sep 30, 11:04 am ET
- WASHINGTON (Reuters) – The number of home foreclosures in process and delinquent mortgages rose during the second quarter, while home retention actions also increased, U.S. bank regulators said on Wednesday.
- Foreclosures jumped 16 percent to 2.9 percent of serviced mortgages, while home retention actions such as loan modifications rose 21.7 percent, the Office of the Comptroller of the Currency and the Office of Thrift Supervision said in a report.

- Fri Oct 2, 2:54 pm ET
- WILMINGTON, Delaware (Reuters) – Consumer bankruptcies soared 41 percent in September from a year before and climbed from August, as high unemployment and the housing market crash took their toll, the American Bankruptcy Institute said on Friday.
- September filings totaled 124,790, the fourth-highest month since the bankruptcy law changed in 2005.
- Filings also rose 4 percent from August, even as recent reports have indicated that the U.S. housing market might be stabilizing and consumer confidence appears to be recovering.

What does it mean for EMS?

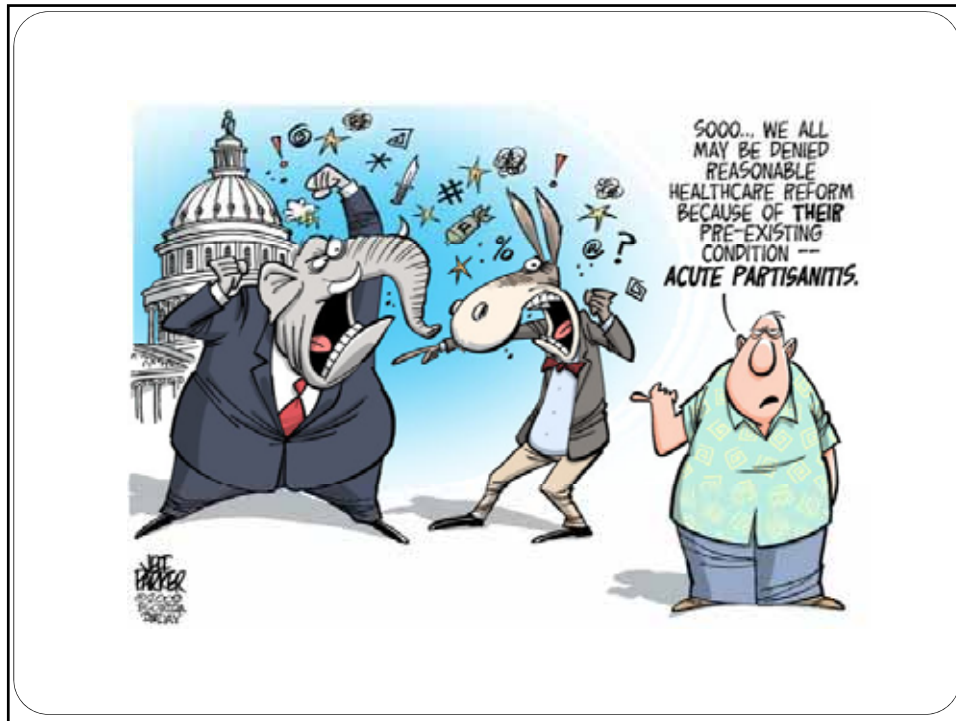
- ***States facing deficits***
 - Less money from state for local jurisdictions (cities & counties)
 - Decreases in Medicaid funding
 - Holding back ambulance payments and/or IOUs
- Less revenue for EMS

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

What does it mean for EMS?

- ***Drop in housing prices and large number of foreclosures***
 - Reduced tax revenue from property taxes
 - Increased homelessness
 - Subsistence becomes highest priority
- Less revenue for tax supported EMS and increased utilization



- **U.S. losing ground on preventable deaths**

- Despite high medical spending, results trail other wealthy countries
- By Ceci Connolly
- **The Washington Post**
- updated 2:49 a.m. CT, Tues., Oct . 6, 2009
- WASHINGTON - As Congress presses forward with landmark legislation to revamp the nation's health-care system, lawmakers are grappling with a troubling question:
 - Are Americans dying too soon? The answer is yes. When it comes to "preventable deaths" — an array of illnesses and injuries that should not kill at an early age — the United States trails other industrialized nations and has been falling further behind over the past decade.
 - Although the United States now spends \$2.4 trillion a year on medical care — vastly more per capita than comparable countries — the nation ranks near the bottom on premature deaths caused by illnesses such as diabetes, epilepsy, stroke, influenza, ulcers and pneumonia, according to research by the nonpartisan Commonwealth Fund published in the journal Health Affairs.

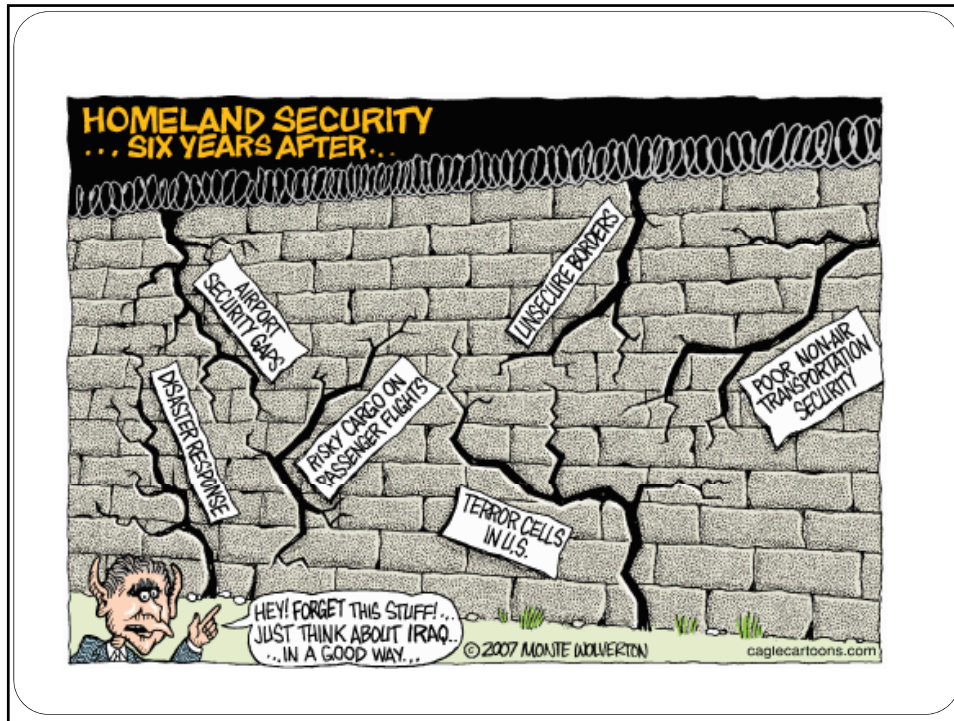
The Washington Post

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- But as many as 80 million Americans are uninsured or underinsured, which means they have little access to a regular physician, checkups, preventive services, affordable prescription drugs, dental care or screening tests.
- In 1997-1998, the United States ranked 15th in preventable deaths out of 19 industrialized countries. In 2002-2003, the nation fell to 19th, even as costs continued to rise. Up to 100,000 lives could be saved if the country's health-care system performed as well those in nations such as France, Japan and Australia, according to the Commonwealth Fund study, which was based on World Health Organization statistics.

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



What is EMS doing?

- Blanket budget cuts (i.e. 10% from last year)
- Layoffs
- Labor concessions
- Benefit cost reductions (less matching for retirement, greater employee share of health insurance costs, elimination of benefits)

What is EMS doing?

- Station / unit closures
- Brownouts
- Line item budget reductions (i.e. capital equipment, travel, training)



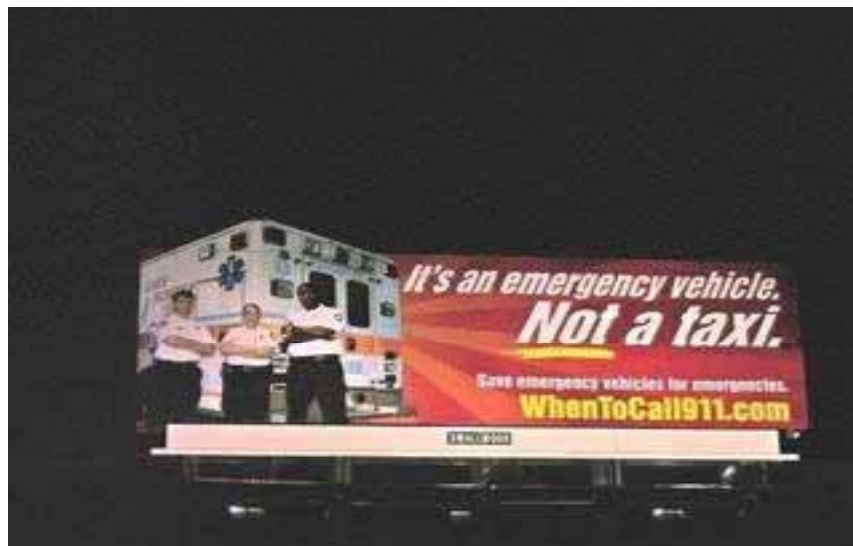
What's wrong with the EMS response?

- 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

What's wrong with the EMS response?

- Focusing on maintaining status quo versus long-term stability
- Focus on EMS agencies 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

Trends in EMS

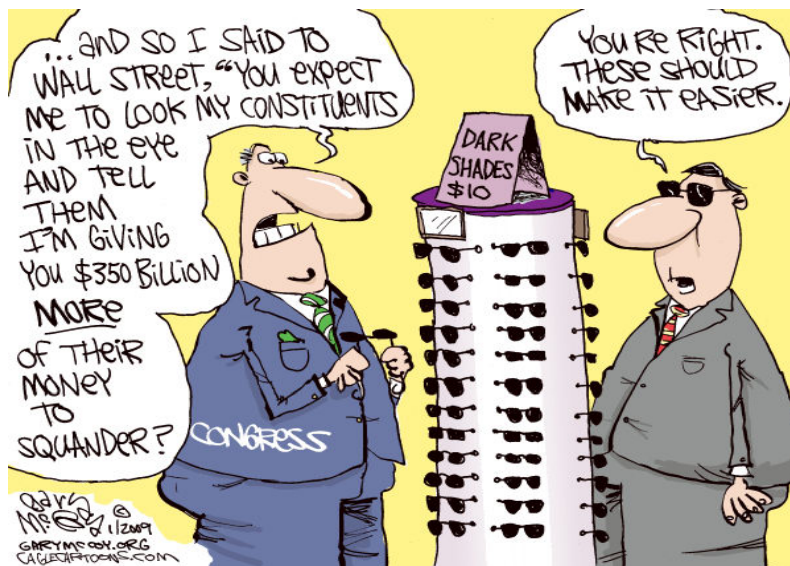


Solutions for EMS



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What will happen to us?

- We will move toward an outcome system
 - Doctors
 - Helicopter NTSB recommendation
- We will have to prove our worth
 - Do we make a difference
- Can we change human behavior?
 - Obesity is an epidemic
 - Poor at risk due to cost of food

What should we do?

- Is EMS Public Safety or Healthcare?
 - Agency or System?
- Share our knowledge with decision-makers
 - Identify the cost of performance
 - Share the consequences of decreased funding

Start Integrating with Healthcare



Solutions for EMS

- We will have to embrace the medicine
 - Cardiac and Stroke Centers
- The New CPR
 - MAST 10%
- First Responders are a Critical Role, lets start acting like it.
- End the turf battles and focus on what services should be delivered and how rather than WHO

Just the Facts Please

- Studies
 - Eisenberg 1979 4 min BLS and 10 min ALS
 - Singapore 1993 4 min BLS 12 min ALS –lethal
 - Callans early access to Defibrillation
- Kent Washington B.C. Scott 7min. 34sec.
 - 13% 05 -> 33% 08
- Resuscitation Outcomes Consortium (ROC)

NFPA 1710

- 60 second dispatch time
- 60 second “Turn out time”
 - 60 EMS / 80 Fire
- Four minute drive time.
- Total 360 seconds or 6 minutes for EMS

OHCA and EMS

- 300-400 K per year OHCA year
- 1000 approximately per day
- 95% Die - Only Save 15 -20 K
 - 41-54 per day
- Only 2% survive in Alabama
- Different outcomes by area (6% Nat.)
- Quicker arrivals resulted in less damage
- 20% is 60K – 80K per year
 - would result in 164 - 219 per day saved

What should EMS be doing?

- Document baseline performance and activity to measure consequences of changes, reductions, or expansion
- How many transport full arrests?
 - Recent CPR study in Jems
 - 37% effective CPR during transport
 - Only 19% in a modular ambulance

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
- Maximize revenue recovery from healthcare and other sources

What should we do?

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

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

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

Questions?

Additional questions can be forwarded to
presenters for personal responses.

Send questions to:

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