

# MANAGEMENT FOCUS

— For Providers of Emergency Medical Services —

VOL. 17, No. 1

FITCH & ASSOCIATES, LLC

WINTER, 2002

## STRENGTHENING EMS READINESS

Long overdue actions to ensure better responses to terrorism and other public health threats are underway in the aftermath of 9.11.01. While proposals pending in Congress represent important first steps, a comprehensive and sustained approach to community readiness is needed.

The Partnership for Community Safety: *Strengthening America's Readiness* calls on federal policymakers to support and sustain comprehensive readiness efforts in the nation's public health departments, emergency departments, hospitals, fire services, ambulance and emergency medical services (EMS) organizations, medical education institutions, and the nursing profession.

The partnership outlined six specific priorities for consideration in both short and long term efforts. They are:

**Improve Communications Infrastructure.** During disasters, communications often degrade as saturated cellular phone systems and wireless communications systems interfere with public safety communications. There is a critical need to upgrade and modernize responder communications systems and to address interoperability problems.

**Improve Community-Based Planning.** Disasters involving terrorism are com-

munity-wide concerns likely to require a broad array of resources to supplement the health care system. Local communities also need comprehensive and effective disaster response that integrates the plans of all responders.

**Increase Community Capacity to Deal with Disasters.** Community-wide disaster planning will require adequate surge capacity to address the health care needs of large numbers of casualties.

**Improve Disease Surveillance, Disease Reporting, and Field Laboratory Identification Systems.** Clinicians must quickly detect,

accurately diagnose, and effectively treat uncommon diseases. Improving the capacity of local and state public health departments, public health laboratories, and hospitals to engage in disease surveillance and disease reporting is critical to determining whether a biologic or chemical agent has been released.

**Protect Responders from the Effects of Biologic, Chemical, and Nuclear Agents.** Responders must be equipped with the necessary protective equipment and trained in the equipment's use. Responders must have

priority access to vaccines, antibiotics, and other resources so they can continue to provide services to the community in the event of a terrorist act involving a biologic or chemical agent.

**Increase and Enhance Training Programs, Continuing Education, and Community Drills for Mass Casualty Incidents.** Responders must be trained to detect and respond to all types of potential diseases and disasters in a coordinated and integrated way.

The growing coalition

*continued page 3*

## HOSPITAL RESTOCKING OK'D

Hospitals have been given the green light to restock ambulance services. The final rule issued by the Office of the Inspector General on December 4, 2001 outlines the conditions of the "Safe Harbor" under Medicare Fraud provisions. The real question becomes how, and if, hospitals will participate?

There are three categories allowed under the rule: general restocking, fair market value restocking and government mandated restocking. Regardless of the category, only one entity can bill

for the items. Documentation of the arrangement is required. There can be no ties for referrals and compliance with other regulations is required.

Under the general restocking provisions, hospitals must restock on an equal basis for services in one of these categories: all ambulance services, all non-profit and government providers, or all non-charging services. Hospitals can offer a different restocking program to each category so long as it treats all providers in that category equally. There is also a requirement

that restocking plans be posted or arranged through a regional EMS council.

A fair market value restocking program is one in which the service reimburses the hospital in an arms length transaction for supplies at fair value. Restocking and payment arrangements in this category must be made in advance.

The third category protects hospitals if restocking is required under a state law or local ordinances, regulations or binding protocols requir-

*continued page 2*

# EMS & HOSPITAL TRENDS & NOTES



**Fire Act Funding.** 2002 funding was approved by Congress at \$150M. This appropriation was a 50% increase from 2001 but half the requested amount. It will be used to fund grants to fire agencies nationwide.

**Executive Turnover.** CEOs at 28 of the top 40 health systems in America will retire in the next five years. Management development programs were cut-back as a cost cutting response to managed care. Industry observers now believe that future healthcare leaders will be recruited from other industries if insiders don't get broad based experience required to

run as complex a business that most healthcare organizations have become.

**Disaster Articles.** A summary of disaster preparedness articles appearing in Health and Hospital Networks and related magazines can be found at <http://www.hhnmag.com/asp/ArticleDisplay.asp?PubID=1&ArticleID=15984>.

**Death Benefit.** The public safety officer death and total disability benefit has been increased to \$250,000 effective January 1, 2002 as part of the terrorism bill. The benefit will be adjusted annually for inflation.

**Employers Health Costs Up.** Employers' health premiums rose 11.2% in 2001 to an average of \$4,924 for every worker, and will likely rise an additional 12.7% next

year, according to a new nationwide survey of 2,800 large and small businesses by benefits consulting firm William M. Mercer and appearing in *The New York Times*.

**EMS Chief Indicted.** Kurt Owens, 32, former head of the South Central Kosciusko, Indiana EMS service, allegedly kept more than \$6,000 raised for New York relief efforts and wrote checks on the ambulance service's account for his personal use. The grand jury indictments against Owens and two other EMS workers were issued following a Crime Stoppers tip. Some of the charity money was returned but a large amount remains missing according to authorities. Owens had served as Chief of the EMS agency's board of directors since July.

## RESTOCKING (continued)

ing hospitals to restock ambulances delivering patients to that hospital.

All safe harbor compliance under the anti-kickback statute is voluntary. The rule outlines that other restocking arrangements could be legal but that each would have to be evaluated on a case-by-case basis.

When earlier legal concerns reduced hospital involvement in restocking, many were not disappointed. It solved a logistics and accountability problem for many emergency departments. Ambulance services also had to increase accountability for on-board supplies charged to patients. In coming months it will be interesting to observe how ED administrators respond to EMS requests to restock.

A copy of the rule as published in the Federal Register may be downloaded from the Fitch & Associates website at [www.fitchassoc.com/emsnews.htm](http://www.fitchassoc.com/emsnews.htm).

## WHAT'S HOLDING BACK EMS QUALITY?

In almost every industry, *except* healthcare, quality has been higher; and, both products and services have been produced at a lower cost during the last decade.

Quality organizations must operate at "6 Sigma" to compete in "world class" markets. That means an error rate of 3.4 defects per million opportunities. According to a recent article appearing in *Physician Executive* most healthcare organizations operate between 2 Sigma and 4 Sigma. Authors Merry & Grago indicate that modern quality science has failed to

take hold because cultural factors, performance measures for reimbursement are not geared to value, and quality science hasn't had time to mature.

For EMS, there are lessons to be implemented. They include:

⇒ Restore learning-based peer review and other mechanisms to detoxify review processes.

⇒ Understand and create an organization that rejects the "culture of blame."

⇒ Implement new leadership concepts and practices as top down approaches have

no place in a quality based organizations.

⇒ Integrate management science with clinical care approaches that address error prevention.

⇒ Establish innovative external review processes such as Baldrige or ISO 9000 that help committed organizations achieve "6 Sigma" quality goals.

Healthcare quality must match or outperform other industries. EMS is a small sub-sector of healthcare that can explore innovative opportunities to become a "value-added" profession.

## MANAGEMENT FOCUS

published quarterly by  
Fitch & Associates, LLC

Subscriptions are complimentary,  
and are available for download at  
[www.fitchassoc.com](http://www.fitchassoc.com) or from  
Fitch & Associates  
303 Marshall Rd., Box 170  
Platte City, MO 64079-0170  
816.431.2600  
[sconroy@emprize.net](mailto:sconroy@emprize.net)

Quotes allowed with attribution.  
Copyright ©2002 by Fitch & Associates

*The publisher is not engaged in rendering legal, accounting or investment advice. You should discuss any tax, legal, or investment problem with your own lawyer, accountant, or financial advisor.*

*STRENGTHENING EMS READINESS (continued)*

currently consists of the American Ambulance Association, American College of Emergency Physicians, American Hospital Association, American Organization of Nurse Executives, American Public Health Association, Association of American Medical Colleges, National Association of County and City Health Officials, International Association of Fire Chiefs, and the National Association of State EMS Directors.

The web sites of the sponsoring organizations provide more information about the partnership.

The American Public Health Association (APHA) outlined a 12-point plan. The *Annals of Emergency Medicine* will publish a special issue of scientific papers to advance the science of domestic preparedness and disaster medicine. Organizations are scrambling to find their niche, voice and a piece of the federal funding initiative.

The IAFC outlined 11 fire service strategies including: immediate federal resources to protect firefighters, federal funding for an additional 75,000 firefighter positions, enhanced Urban Search and Rescue and Metropolitan Medical Response Systems, and improving communications infrastructure for emergency responders.

The American Ambulance Association outlined a five-point approach including: safety of ambulance service personnel and patients, and the security of ambulance facilities, supply inventories and vehicles; effective use of

ambulance resources benefiting the patients and communities we serve; integration of local ambulance services into emergency management including: mitigation, preparedness, response, and recovery; timely cost reimbursement to offset the financial impact of disaster preparedness and response; and accurate recognition of critical role of ambulance service providers, before, during and after an event.

One of the lesser-known but interesting advocacy groups is Communications for Coordinated Assistance and

*The next year will shape EMS for a decade. . .*

Response to Emergencies (ComCare). It outlined an eight-point program to meet the needs of Americans in times of individual and mass emergencies. The eight points are:

1) Increase the capacity and reliability of America's communications networks.

2) Deploy modern end-to-end emergency communications systems.

3) Deploy enhanced 911: wireline, wireless and PBX, deploy telematics.

4) Support state planning and deployment of integrated systems in model states.

5) Provide two basic tools to all emergency agencies: national emergency electronic registry and event mapping capability.

6) Augment and increase emergency response training.

7) Make a commitment to research, develop and de-

ploy new safety applications and devices.

8) Support education and outreach, bringing together all the key emergency stakeholder communities.

ComCare's focus is to improve technological and operational aspects of emergency communications and information technologies. America has over 60,000 emergency, law enforcement, and ambulance agencies. There are hundreds of thousands of salaried and volunteer first responders, yet they do not generally have 21st Century communications and

information technology tools. National leaders have no efficient, secure way to communicate directly with first responders. Those responders need to be linked to be better prepared to respond together. And they need to be effectively linked to the local, state and national agencies that support them, as well as to the private systems like wireless and telematics companies that connect the public to them.

The 21st Century technologies, commonly used in e-business today need to be available to the emergency response system: deploying integrated, interoperable and interconnected wireline and wireless high speed data and voice networks. The mobile public and the private sector with emergency response agencies need to be fully connected to transportation information networks. ComCare's vision of emer-

gency response includes, but goes far beyond, the 911 systems. Upgrades to those systems are needed so we can deploy and handle wireless E911, but we also need, for example, to incorporate schools, hospitals, public information, hazardous materials management, and early warnings of chemical and biological agents into the emergency response system. They advocate a national emergency directory, giving the ability to discreetly, reliably, dynamically and electronically share information among emergency response agencies where there is an individual emergency, a warning of impending mass danger, and during emergency response.

ComCare is encouraging the federal government funds a basic platform that rapidly enables an emergency first responder network, serving dual functions of homeland defense and individual emergency response. For additional information see [www.comcare.org](http://www.comcare.org).

The federal government moves slowly. However, in the next year it will take actions that will shape emergency services for the next decade. While collaborating in public, each sector and interest group is working behind the scenes to ensure that its own agenda is funded.

If you believe that the EMS system is the intersection between public safety, public health and healthcare systems nationwide, then becoming involved in planning these efforts is essential if EMS isn't to be left in the political rubble.

## INNOVATIVE RECRUITMENT & RETENTION STRATEGIES

Recruitment and retention will continue to be EMS' terrible twins for the coming decade.

When the economy was strong, individuals saw opportunities for significantly higher paying positions in other fields.

With a weaker economy, EMS workers partially supported by a spouse's career are re-evaluating their financial ability to remain in the field they love. Many feel the need to be contributing more to the family income.

Historically, private and volunteer services have served as a training ground for fire/rescue agencies. Public services initiating transport have increased turnover among private ambulance companies. New ideas are being considered to blunt the trauma of turnover. They include:

### License reactivation.

States should consider an abbreviated mechanism for EMT-P's to renew expired licenses. Retaking an entire course from start to finish has been a barrier for those interested in again getting active in EMS. Several states are considering on-line options to cover required didactic materials and using competency based testing to allow experienced personnel that have left the field to re-enter with minimum hassles.

### Older workers.

Service businesses have long recognized that older workers provide work force flexibility. Numerous volunteer squads depend heavily on retired members for daytime coverage. EMS is generally considered a "young person's game." However, the increasing longevity and physical stamina of older workers is

turning this into a myth. Some community colleges also offer retirees free tuition.

### New technologies.

While one would be hard pressed to say that the job is getting easier, technology is making it possible for those with some physical limitations to remain longer. For example, the new compressed air powered stretcher (See Thom Dick's "World's Strongest Gurney" in the December issue of *JEMS*) reduces potential lifting requirements.

### Flexible schedules.

Beyond splitting a shift or two, EMS agencies need to think about short term contracting (travel medic) programs, exchange programs and other innovative mechanisms to attract personnel that may not fit into the 42/44, or 56 hour per week schedule.

**Bridge programs.** Providing a defined exit strategy

may be one of the best mechanisms to retain workers. Several on-line and other programs offer EMS personnel the opportunity to work toward nursing careers. Larger services could consider a formal program to help staff accomplish this career goal. Some of these efforts may be eligible for grant funding. For example, the federal Health Resources and Services Administration (HRSA) will award \$20M grants to universities and other organizations to increase the number of nurses. (for more information: [www.bphc.hrsa.gov](http://www.bphc.hrsa.gov))

If you would like to share retention success strategies, please forward them to [sconroy@emprize.net](mailto:sconroy@emprize.net). The best strategies will be profiled in a future *Focus* article and/or on our website at [www.fitchassoc.com](http://www.fitchassoc.com).



### DO WE HAVE THE RIGHT PERSON?

If the person, company name or address is incorrect, or if you would like additional managers to receive the *Management Focus*: Fax this page with correction to 816.431.2653 or email [sconroy@emprize.net](mailto:sconroy@emprize.net). Alternatively, requests for an electronic version of the *Focus* can be made at [www.fitchassoc.com](http://www.fitchassoc.com).

Please Expedite: News Materials

Address Correction Requested

FITCH & ASSOCIATES, LLC  
303 Marshall Road, Box 170  
Platte City, Missouri 64079-0170

MANAGEMENT FOCUS

PRESORTED STANDARD  
U.S. POSTAGE  
PAID  
PERMIT 1422  
KANSAS CITY, MO