



**Finance & IT Committee**  
**Committee Agenda**  
Via Microsoft Teams  
**June 22, 2020**

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**CALL TO ORDER – 3:30 PM**

**Meeting Objective:**

1. Washington State Health Care Authority Ground Emergency Medical Transportation (GEMT) Program fee for service calculations and impact on 2021 Budget allocations
2. Audit Update
3. CARES Grant

**ADJOURNMENT – 5:00 PM**

**Next Meeting:** July 28, 2020, time TBD

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[NOTE: Committee Meetings are recorded.]

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Finance & IT Committee

June 22, 2020 Meeting

Item: Washington State Health Care Authority Ground Emergency Medical Transportation (GEMT) Program fee for service calculations and impact on 2021 budget allocations

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## **SUMMARY**

In August of 2019, the City Council approved an updated ambulance billing agreement to facilitate the City's participation in the State's Ground Emergency Medical Transportation (GEMT) program. This state program uses city data to calculate actual cost of medical transport. The state uses the calculation to allow for higher state reimbursement for Medicare-paid ambulance transports.

Because the GEMT calculations are more complex and based on actual city call disposition, staff recommends that the updated GEMT calculations be used to prepare the 2021 budget using 90% EMS / 10% Fire as the cost split for personnel.

Updating the personnel cost split will not impact the amount budgeted for the Fire Department overall for 2021; it will show a higher operating cost in the EMS Fund and a lower operating cost in the General Fund Fire Department. If EMS Fund revenues are not sufficient to support the operating expenses, the difference will show in a transfer from the General Fund.

## **BACKGROUND ON PERSONNEL COST SPLIT IN CITY BUDGET**

Prior to the 2016 budget, EMS personnel costs (salary and benefits) were allocated in a 75/25% split. In 2015, the City contracted with Citygate to analyze the Fire Department and the services provided. They determined through analysis of Mukilteo's National Fire Incident Reporting System (NFIRS) response data that 58% of calls were EMS and 42% were Fire. These rates were used for allocating the salary and benefit amounts for Fire Department personnel (except for the Fire Marshall) for the 2016-2018 budgets. The 64% EMS / 36% Fire split for the 2020 budget is based on the most recent annual NFIRS data.

As part of the 2018 audit conducted in 2019, the City's method for allocating personnel costs between Fire and EMS functions was reviewed and the auditors determined the City was complying with state law and Mukilteo Municipal Code section 3.34 and that restricted EMS funds were being tracked and spent on allowable activities. Updating the allocation to reflect the GEMT data provides a reasonable and more detailed alternative methodology for

determining the cost of service provision. Staff believes this will also comply with auditor recommendations.

## GEMT BACKGROUND

In August of 2019, the City Council approved an updated ambulance billing agreement with Systems Design West LLC to include reporting and auditing services required to facilitate the City's participation in the State's Ground Emergency Medical Transportation (GEMT) program. Agenda bill, updated agreement and additional GEMT program information available at: [https://mukilteo-wa.granicus.com/Viewer.php?view\\_id=4&clip\\_id=784&meta\\_id=33655](https://mukilteo-wa.granicus.com/Viewer.php?view_id=4&clip_id=784&meta_id=33655)

The City provided the information that was used to complete the required cost report for the Health Care Authority (MTS = Medical Transport Service, CPT = Current Procedural Terminology):

Item	Description
Computer Aided Dispatch System Information	CAD data for medical and fire/other responses (raw data)
Expenditures by Cost Center	Annual detailed actual expenditures broken out by cost center
Capital Usage	Total square footage for all MTS and Non-MTS buildings
Federal Funds	Award documentation and other supporting information regarding federal funds expended
Indirect Cost Rate Proposal	Cost Allocation Plan or Indirect Cost Rate proposal from the provider's county/city/town to incorporate additional overhead costs
Depreciation Report	Asset number, description, date placed in/out of service, useful life, and cost for assets used
Billing Information (Pre-Systems Design)	Details for all billed transports; includes date, payor type, billed amount, paid amount, CPT code.

As part of the required reporting, the costs for Medical Transport Services versus Non-Medical Transport Services is broken out based on the information provided.

Salaries/Benefits Allocation Statistics for Direct Service Cost Allocation		
Description	Total Hrs	Factor
Hours Logged for MTS Duty	1,864	89.50%
Hours Logged for NON-MTS Duty	219	10.50%
Total Hours to be Apportioned	2,083	100.00%

Now that the first detailed analysis and reporting for GEMT have been completed, this provides a basis for the City to update how costs for the Fire Department personnel are broken out in the budget between the General Fund and the Emergency Medical Services Fund.

RCW 84.52.069(5) restricts the use of EMS levy funds to be used only for the provision of emergency medical care or emergency medical services, including related personnel costs, training for such personnel, and related equipment, supplies, vehicles and structures needed

for the provision of emergency medical care or emergency medical services. Because the City does not have separate EMS and Fire personnel, we must show how we allocate EMS dollars to only pay for specific EMS activities and not general fire activities.