

# MEDIC ONE/EMERGENCY MEDICAL SERVICES

## STRATEGIC PLAN & LEVY REAUTHORIZATION

ALS Subcommittee meeting 3/27/2024

### Summary

*Topics included an overview of the issues the subcommittee will consider and a review of ALS funding (unit allocation, reserves and key drivers).*

### Attendees

*Chair: Keith Scully, City of Shoreline*  
Cynthia Bradshaw, King County EMS  
Brian Carson, PSRFA  
Helen Chatalas, King County EMS  
Andrea DeCaro, Northeast KC Medic One  
Chris Drucker, King County EMS  
Cody Eccles, King County Council  
Becky Ellis, King County EMS  
Rachel Garlini, Shoreline Fire  
Jason Hammond, King County EMS  
Steve Heitman, Renton RFA  
Eric Lee, Bellevue Fire  
Doug McDonald, Eastside Fire & Rescue

Amy Moorhead, Northeast KC Medic One  
Bill Newbold, Kirkland Fire  
Kelly O'Brien, King County EMS  
Andres Orams, Shoreline Fire  
Michele Plorde, King County EMS  
Tom Rea, King County EMS  
Mark Sawdon, King County Medic One  
Scott Symons, Bellevue Fire  
Evan Van Otten, King County Medic One  
Brian Wallace, Seattle Fire  
Jim Whitney, Redmond Fire  
Todd Wollum, Shoreline Fire  
Rose Young, King County EMS

### Issues discussed

#### Role

The ALS Subcommittee's tasks are to review the needs of the ALS tier and develop recommendations outlining how the next Medic One/EMS levy can best support those needs.

### ALS Subcommittee Considerations

#### 1. ALS Funding:

The regional Medic One/EMS levy commits to fully funding eligible ALS costs, which account for approximately 60% of KC EMS levy expenses. Within the King County EMS fund, funds for ALS services are provided to agencies via an allocation that is distributed based on the number of medic units. The allocation is developed by averaging the actual annual costs across all ALS agencies. It increases yearly using a compound inflator tied to specific economic indices. Contingencies and reserves are made available to cover one-time and unanticipated costs.

#### Discussion:

The ALS allocation consists of four separate categories of funding. The Unit allocation covers costs associated with boots on the ground 24/7. It is the largest and most stable of the categories, and usage has been consistent across agencies over this levy span. Review of this category will be on staffing costs, including paid time off. The Supervisory allocation includes costs associated with the management of boots on the ground. Its use varies by the size of agencies, and review of

this category will focus on how the allocation is distributed. The System allocation includes costs that vary significantly between providers and years of the levy, such as the number of paramedic students and dispatch costs. The estimated number of future paramedic students will be reviewed during levy planning. The Equipment allocation includes costs related to equipment needed to provide services. A more extensive review of equipment covered by the Equipment allocation will be undertaken during levy planning.

Reserves and contingencies have been an integral piece of the Medic One/EMS Financial Plan since 2008. The Capacity reserve includes funding for temporary capacity increases and facility renovations, as well as a placeholder for a potential new unit. The Equipment reserve supports ALS equipment costs not included or accommodated within the Equipment allocation. Prior to accessing reserves, agencies must determine if such expenses can be covered by other funds. Requests are evaluated for compliance with existing EMS financial policies and require review by the EMS Advisory Committee. Reserves in excess of King County financial policies can be used to 'buy down' the next levy rate.

## 2. Medic Unit needs for the next levy span:

Identifying whether a new medic unit may be needed is a critical piece of levy planning. Projecting future ALS demand/future medic unit needs is necessary to ensure the financial plan accommodates potential new unit costs. Workload, response times, population growth, and capacity are all reviewed.

### Discussion:

For the past two levy spans, the financial plan has included a placeholder (reserve) for a potential new unit to protect the system, should projections significantly change/service demands require additional units to be added. Medic unit needs will be reviewed at the April 10, 2024, ALS Subcommittee meeting.

## 3. ALS programs outside the allocation:

After much regional discussion, the EMS Division created the ALS Support for BLS Activities program in 2023 which provides funding to ALS agencies to conduct BLS Run review, training, and ALS/BLS interaction drills and activities. The Division also made funding available starting in 2023 to pay for paramedics to train paramedic students at the Paramedic Training program at Harborview.

### Discussion:

The BLS run review, training, and ALS/BLS interactions that fall under the ALS Support for ALS Activities program are excellent for helping new hires get grounded in their jobs. It was acknowledged that this program has the potential to improve the entire regional system. While paramedics and the MPD support the program, we need to ensure BLS also sees the value in it as well. Therefore, it is important to have BLS at the table when the program is discussed at the April 10, 2024 ALS Subcommittee meeting

4. Outlying Areas:

The Subcommittee will look at ALS response to outlying areas. This includes a contract with Snohomish County Fire District 26 to provide ALS services into the Skykomish region, Shoreline Fire's contract to respond to Bothell and Woodway in Snohomish County, and automatic aid considerations for response to Snoqualmie Pass and parts of Auburn in Pierce County.

5. Future regional challenges and needs

The EMS Division has been meeting with its regional partners to better understand priorities, concerns and emerging issues for the next levy period. Items mentioned by ALS partners prior to levy planning include workforce issues, efficiencies related to medical supplies and equipment, and concerns about pharmaceutical costs. Support for connectivity to hospital systems to secure outcome data was brought up at the meeting.

**Next Meeting**

April 10, 2024:      1:00 – 3:00 pm      Seattle Joint Training Facility – Classroom 4  
9401 Myers Way South in Seattle

Items for discussion include future medic unit needs, the ALS Support of BLS activities program, Support for the Initial Paramedic Training program, and review of 2026-2031 Status Quo financing.

# ALS Subcommittee considerations for 2026-2031 levy planning process

For discussion at the 3/27/2024 ALS Subcommittee meeting

## Subcommittee Tasks

Review ALS  
needs

Determine  
how levy can  
support needs

## Topics for discussion

### 1. ALS funding

Allocation; Inflatators; Contingencies & Reserves

### 2. Medic unit needs for next levy span

### 3. Programs outside allocation

### 4. Outlying areas

### 5. Meeting future challenges



ALS is the funding priority.



ALS is the primary recipient of the Medic One/EMS levy.



The levy commitment is to fully fund all eligible ALS costs.

ALS is the  
priority of the  
One/EMS levy.

# What are ALS eligible costs?

## **ALS eligible costs:**

- Direct paramedic services costs
- Costs related to the management of direct paramedic services
- Costs related to paramedic students, paramedic recruitment, dispatch
- Expenses related to equipment



# ALS Allocations\* and Reserves & Contingencies

## Unit Allocation

Costs associated with boots on the ground 24/7

## Program /Supervisory Allocation

Costs associated with management/supervision of boots on the ground

## Systems Allocation

Costs that vary significantly (between providers, between years)

## Equipment Allocation

Costs related to equipment

## Reserves & Contingencies

Cover one-time and unplanned costs


**\*Annual Inflator:** Compound inflator tied to specific indices

# Current Medic Units

• Seattle Fire	8 units
• Shoreline Fire	3 units
• Redmond Fire	3 units
• Bellevue Fire	4 units
• <u>King County Medic One</u>	<u>9 units</u>
Total	27 units

# Discuss the Methodology for Future Medic Units

Projecting future ALS demand/future medic unit needs is critical to ensure the Financial Plan accommodates potential new unit costs.



Will review unit performance trends and critical factors driving demand



1. Workload and Response Times



2. Population Growth



3. "Capacity"

# ALS Programs Outside Allocation

**ALS Support for BLS Activities:** Run Review/QI & Training  
\$570,000 in 2023; inflated annually by CPI-W + 1%

**Initial Paramedic Training:** Supporting paramedics teaching and leading drills at Harborview Paramedic Training Program  
\$250,000 in 2023; inflated annually by CPI-W +1%

**Use of Paramedics in EMS Division Programs:** (SEI, SME)

# Outlying Areas

## **Address medic unit service to areas outside King County:**

### **Skykomish region (contract)**

- Since 2006, Sno County Fire District 26 has contracted with the EMS Division to provide 24/7 paramedic response to the communities of Gold Bar, Index, Baring, Skykomish, and Stevens Pass.
- Average allocation for 2020-2025 budget: \$450,000/year

### **City of Bothell and Woodway (reimbursement)**

### **Snoqualmie Pass and City of Auburn (automatic aid)**

# Future regional challenges and needs

Workforce

Equipment & Regional Purchasing

Pharmaceutical/Medical Supply Costs

Others?

# Unpacking ALS Finances

## Finance Structure changes informed by emerging issues

*Designed to better manage ALS Finances*

### Overall changes due to:

- Different economic conditions, particularly inflation
- Changes in protocols & medical direction
- Employment changes impact work force needs

### Added/Changed Allocation Categories:

- Equipment Allocation (2008)
- Program/Supervisory\* & Systems allocation (2020)
- Multiple inflators added 2008, simplified in 2014 & 2020 levies

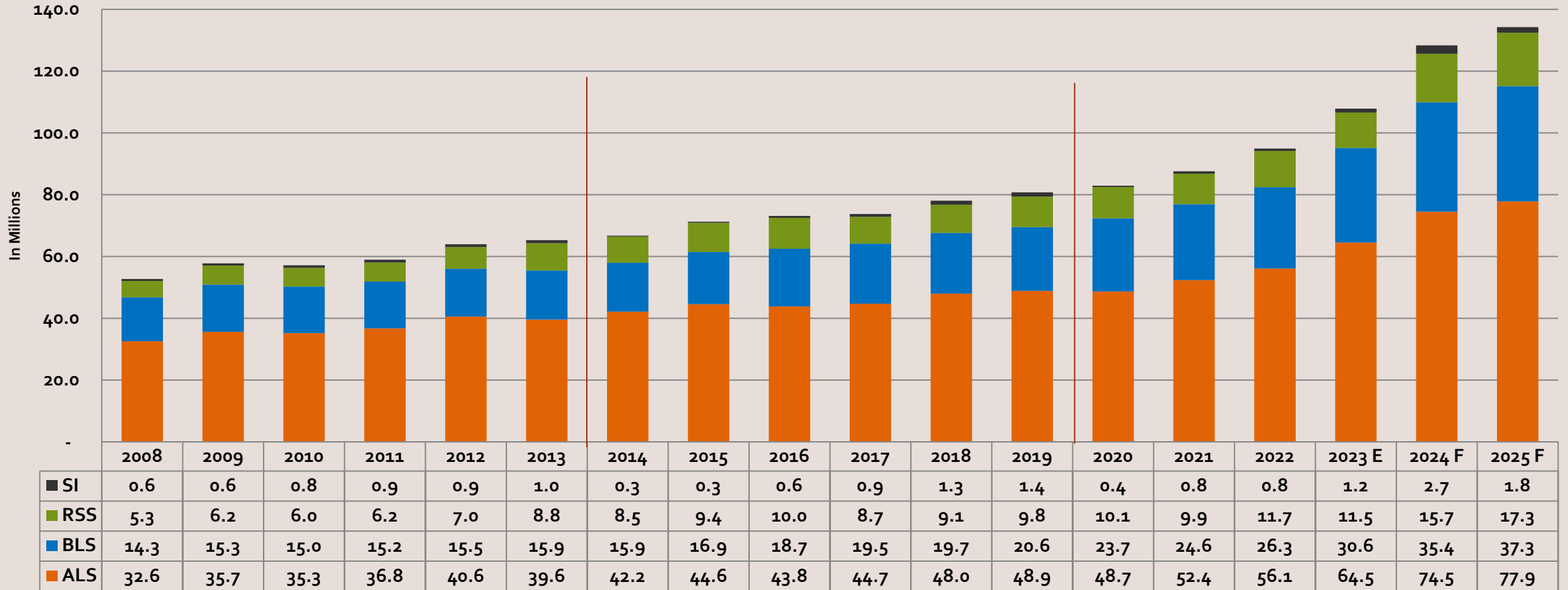
### Reserves, Contingencies:

- Reserves added in 2008 levy
- Reserves updated in 2014 levy
- Conversion of Operating Reserve to Contingencies during 2014 levy
- Simplified/restructured in 2020 levy

\*Listed as Program allocation in 2020 in Strategic Plan

# Expenditures by Program Area

## KC EMS Fund



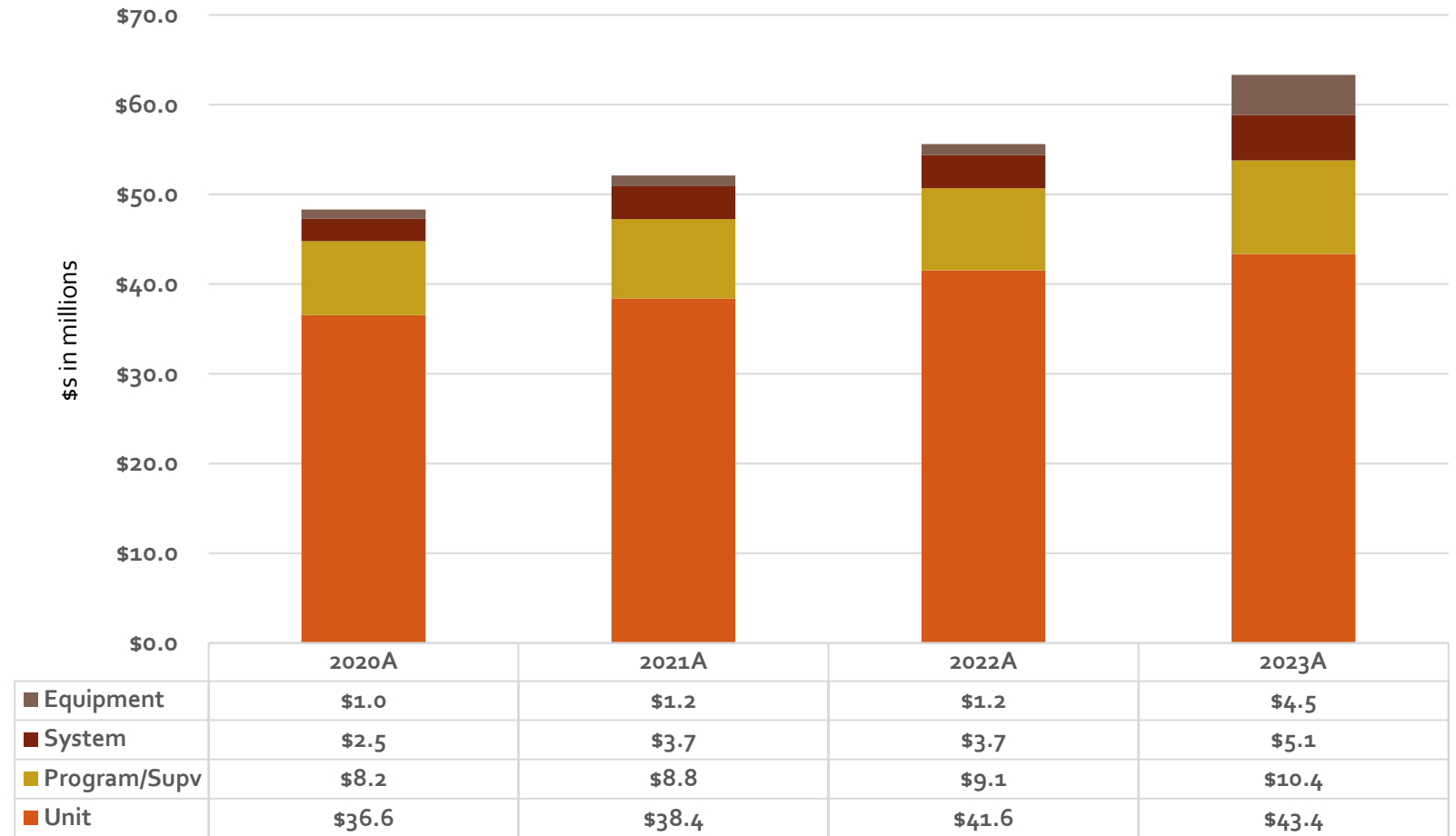
- ❖ 2020-2025 levy included increased allocation funding resulting in less use of reserves
- ❖ 2020 cashflow low due to pandemic, followed by high inflation, and increased program costs



# Cost by Medic Unit Allocation Categories (2020-2023)

## ALS Costs by Allocation Category

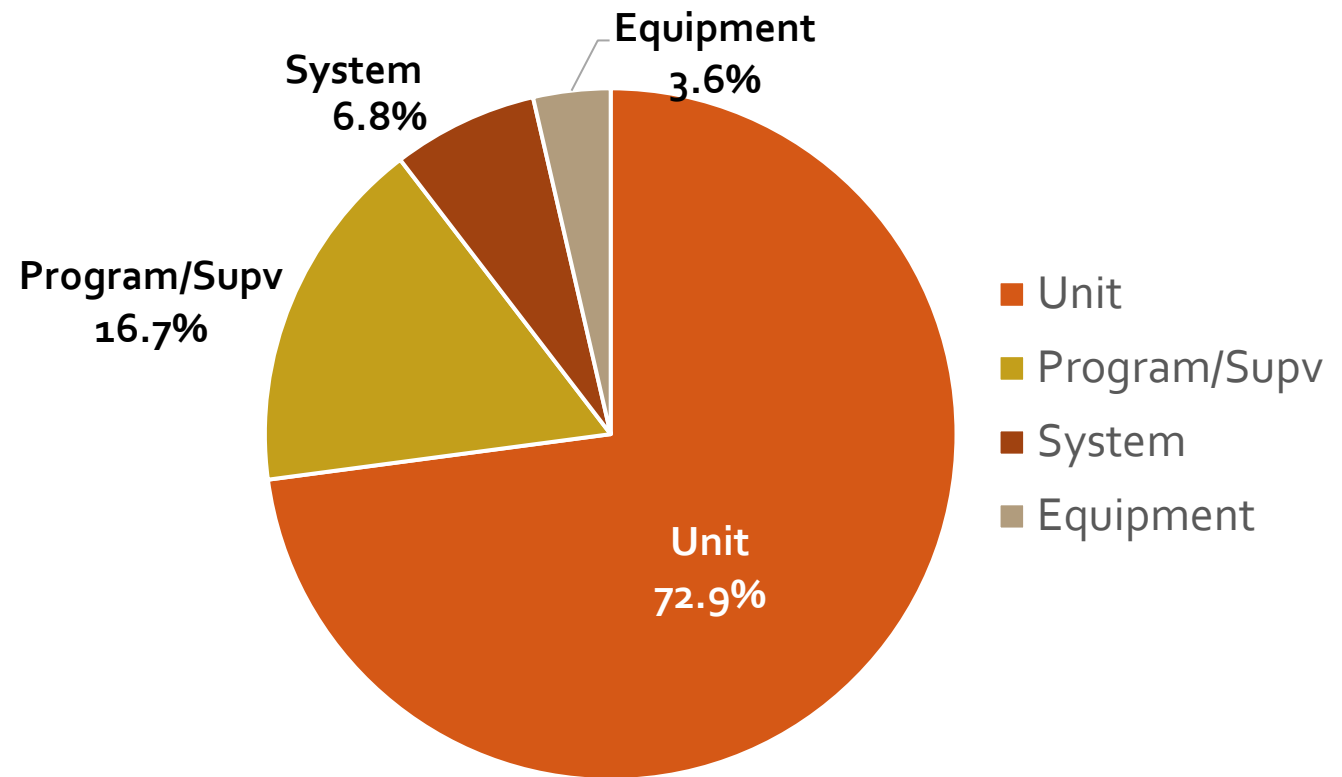
Actuals 2020-2023



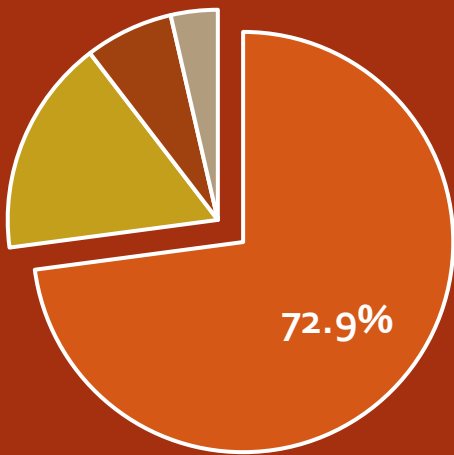
# Review of ALS Allocation Categories

## ALS Costs by Allocation Category

Actuals 2020-2023



# ALS Unit Allocation



## UNIT ALLOCATION (~73% of costs)

*costs associated with boots on the ground 24/7*

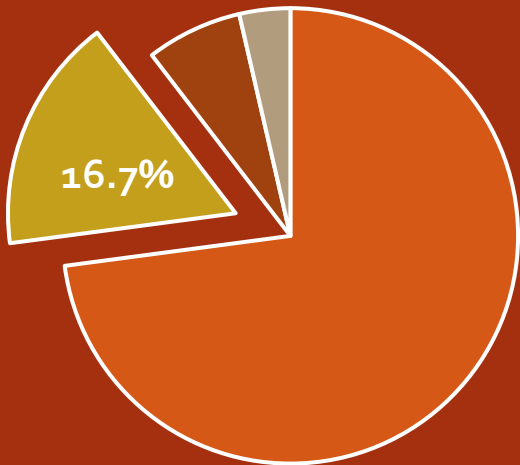
- Direct paramedic services
- Medical supplies & pharmaceuticals
- Vehicle and facility operating & maintenance costs
- Communications and technology costs
- ❖ Inflated yearly at CPI-W +1% to cover costs above underlying inflation (such as pharmaceuticals, etc.)

➤ Review focus: staffing costs (including paid time off)

UNIT (in thousands)	Per Unit	Total
2022 Budgeted	\$2,213k	\$42,055k
2022 Actuals	\$2,189k	\$41,584k

*Does not include service to FD/Skykomish area*

# ALS Supervisory Allocation



## SUPERVISORY ALLOCATION (~17% of costs) *costs associated with management/supervision of boots on the ground*

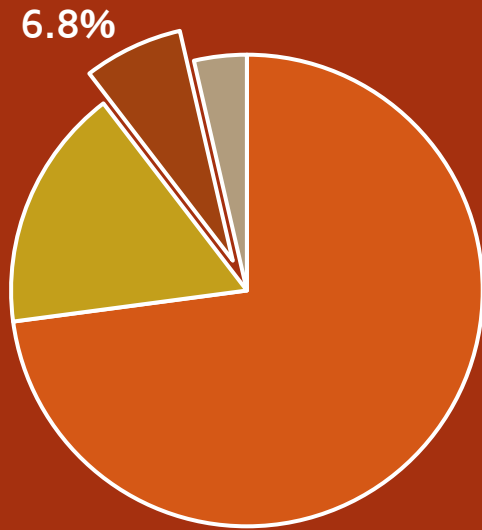
- ALS program leadership, management, and direct supervision (MSOs)
  - Analysis, financial management, program support, technology costs
  - Training leadership and coordination (typically Training MSO)
  - Vehicle and facilities supporting program staff
  - ❖ Inflated yearly at CPI-W +1% to cover costs above underlying inflation (such as pharmaceuticals, etc.)
- Review focus: distribution of allocation (acknowledging fixed costs)

*\*Previously Titled ALS Program allocation or Program/Supv allocation*

<b>Supervisory (in thousands)</b>	<b>Per Unit</b>	<b>Total</b>
2022 Budgeted	\$558k	\$10,602k
2022 Actuals	\$480k	\$9,192k

*Does not include service to FD/Skykomish area*

# ALS Systems Allocation



## SYSTEMS ALLOCATION (~7% of costs)

*costs that vary significantly (between providers, between years)*

Agencies reimbursed for actual costs, budget managed as an overall pool to cover any costs above the allocation

### Areas included:

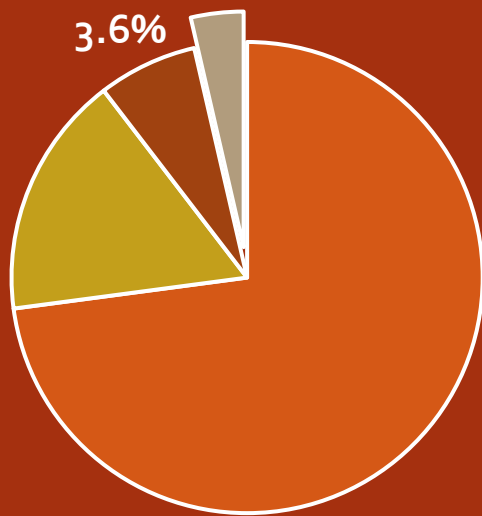
- Paramedic Students
- Medical Direction
- Dispatch
- Regional Paramedic CME
- Whole Blood

➤ Review focus: estimated number of students, areas included

System (in thousands)*	Per Unit	Total
2022 Budgeted	\$237k	\$4,512k
2022 Actuals	\$199k	\$3,782

*Does not include service to FD/Skykomish area*

# ALS Equipment Allocation



## EQUIPMENT ALLOCATION (~4% of costs) *costs related to equipment needed to provide services*

Covers expenses for equipment with lifespan of more than 1 year

- Medic Units (patient transport); primary and back-up
- ALS defibrillators/monitors, medical equipment & stretchers
- Radios, Communications Equipment, Information Technology
- Staff vehicles
- Can cover costs of other equipment with lifespan of more than 1 year

➤ Review: included equipment, costs & lifespan

Equipment <i>(in thousands)</i>	Per Unit	Total
2022 Budgeted	\$105k	\$1,995k
2022 Actuals	\$64k	\$1,209k

*Does not include service to FD/Skykomish area*

# ALS Reserves & Contingencies

## Developed to cover unanticipated and one-time costs

- Before applying to use reserves, agencies are required to evaluate if expense can be covered by other funds
- Requests are evaluated for compliance with EMS Financial Policies
- Use requires review and recommendation and review by EMS Advisory Committee (EMSAC) Financial Subcommittee and EMSAC

## History

- Added in 2008 levy; prior to 2008 funds above required fund balance were used to cover unplanned expenses
  - Modest changes included in 2014 levy
  - Simplified in 2020 levy; Operating Reserves converted to Contingencies
- Reserves above the required level at the end of levy can be used as millage reduction – to “buy down” or reduce next levy rate

# ALS Reserves & Contingencies

## RESERVES

### 1. Capacity Reserve

- Funded at \$12.8 million
  - \$ 1.2 million for facility renovations
  - \$11.6 million as a placeholder for a potential new unit

### 2. ALS Equipment Reserve

- Funded at \$1 million
- Cover unplanned equipment costs including new equipment, decreased lifespans /need for early replacement, and increased costs

## CONTINGENCIES

- Funded at \$1 million a year
- To cover significant increases in operating costs that can't be covered via ALS allocations or program balances



# ALS Reserves & Contingencies

(covers unanticipated & one-time costs)

## CAPACITY RESERVES -- \$12.8 million total levy

*Supports capacity & location needs of ALS system*

- Placeholder for potential new unit (\$11.6 million)
- Temporary capacity increases & facility renovations (\$1.2 million)

Levy Period	Use of Reserves for Supplemental Capacity	Value
2020-2023	Closure of Woodinville-Duvall Road (add in Duvall)	\$175,275
2014-2019	Multiple road projects north of Issaquah (Sammamish)	\$360,000
2008-2013	Temporary Relocation Medic 4 (Sea-Tac)	\$100,000
2002-2007	Woodinville-Duvall Bridge	~\$10,000

Levy Period	Use of Reserves for Facility Renovations	Value
2020-2023	Medic 123 to Kirkland Sta 27; Medic 142 at Bothell Sta 42	\$430,000
2008-2013	Medic 3, North Bend; Medic 23, Evergreen; Medic 5, Renton	\$590,914

# ALS Reserves & Contingencies

(covers unanticipated & one-time costs)

## EQUIPMENT RESERVES -- \$1 million total levy

*Supports ALS equipment costs not included or accommodated within equipment allocation*

Levy Period	Use of Reserves for Equipment Needs	Value
2014-2019	ALS Power Load Systems	\$797,885

# ALS Reserves & Contingencies

(covers unanticipated & one-time costs)

## CONTINGENCIES\* -- \$1 million per year

*Able to cover measurable ALS increases in operating costs that cannot be covered by ALS allocations or program balances. Can also cover unplanned expenses related to regional services and initiatives.*

Levy Period	Description	Value
2020-2025	ALS Support of BLS Activities (2023-2025 est)	\$1.6 m
2014-2019	Personnel related expenses (incl PTO over allocation)	\$3.1 m
2014-2019	Paramedic students & dispatch (now in Systems Allocation)	\$2.5 m
2014-2019	Mid-levy adjustment for economic conditions/inflation	\$8.4 m
2002-2007	Convert EMT-P units to 2-paramedic units	
2002-2007	Increase in allocation to avoid cost shifting	

*\* Contingencies previously called Operating Reserves*

*\* No reserves included in 2002-2007 levy period; expenses covered by fund balance above minimum*

*\* Previous levy periods had different funding levels*

# ALS Allocation Over the Years

- Allocation and reserve structure responsive to emerging needs
- Changes based on experiences in previous levy period

Levy Period	Description
2008	Creation of Equipment allocation
2008	Used compound inflator (included 7 different inflators)
2008	Creation of Reserves
2014	Modified and improved changes from 2008 levy
2020	Simplify inflators based on experience to CPI-W & a PPI for equipment
2020	Creation of Program/Supervisory and Systems Allocations

# Key Drivers

## Key Drivers:

- Economy and inflation
- Variances in yearly expenditures to accommodate specific agency needs
- Technological changes: defibrillators, power stretcher systems, data management systems, etc.
- Medical direction resulting in protocol changes, different transport decisions, new procedures and pharmaceuticals

## Trends – affected by economic issues:

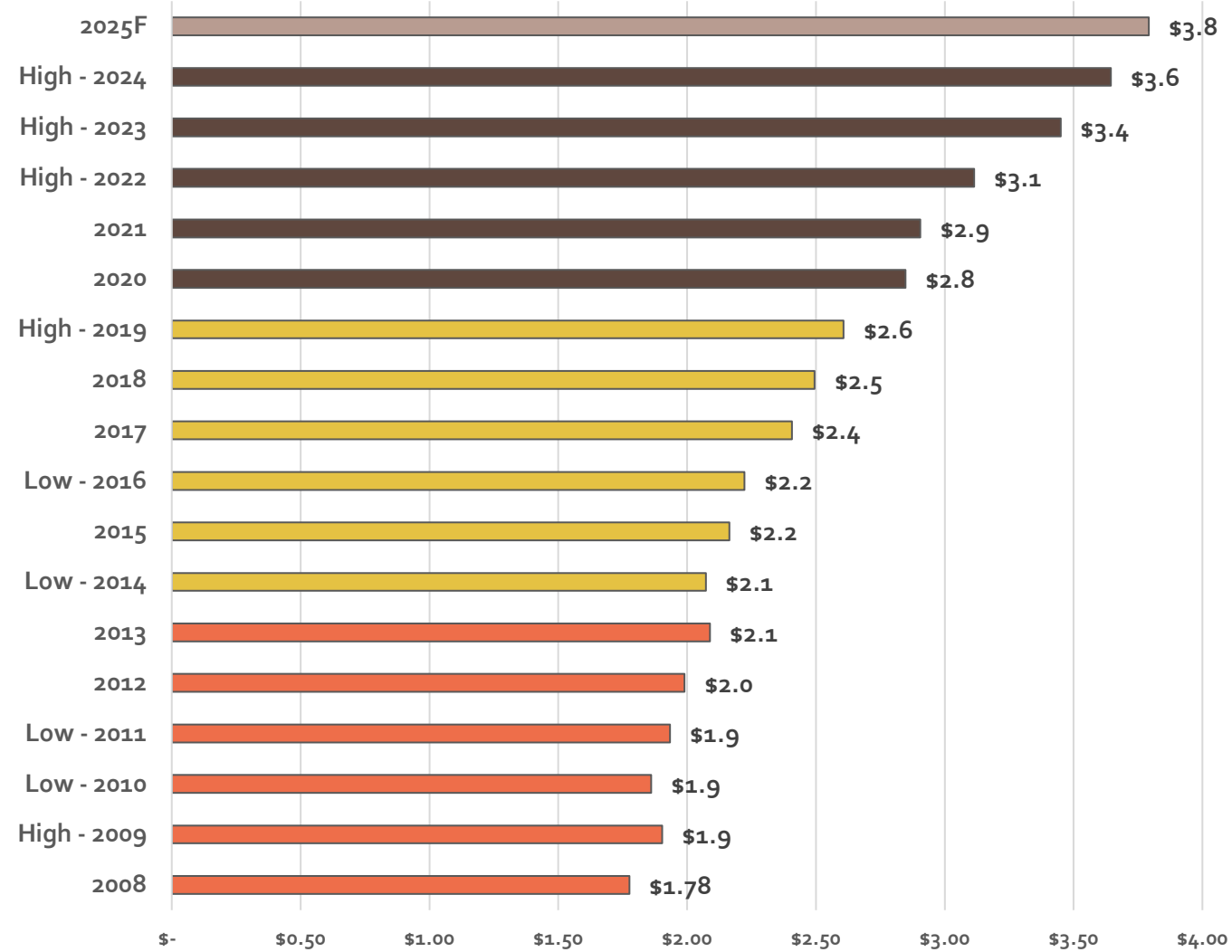
**2008-2013 levy:** due to economic recession, costs were less than planned

**2014-2019 levy:** during the economic upturn, costs increased higher than planned. An ALS mid-levy allocation adjustment was needed to cover increased costs

**2020-2025 levy:** “interesting economic times” including generation high inflation and high staff turnover

# Historical Medic Unit Allocations (Budget)

## ALS Allocations per unit (\$ in millions)

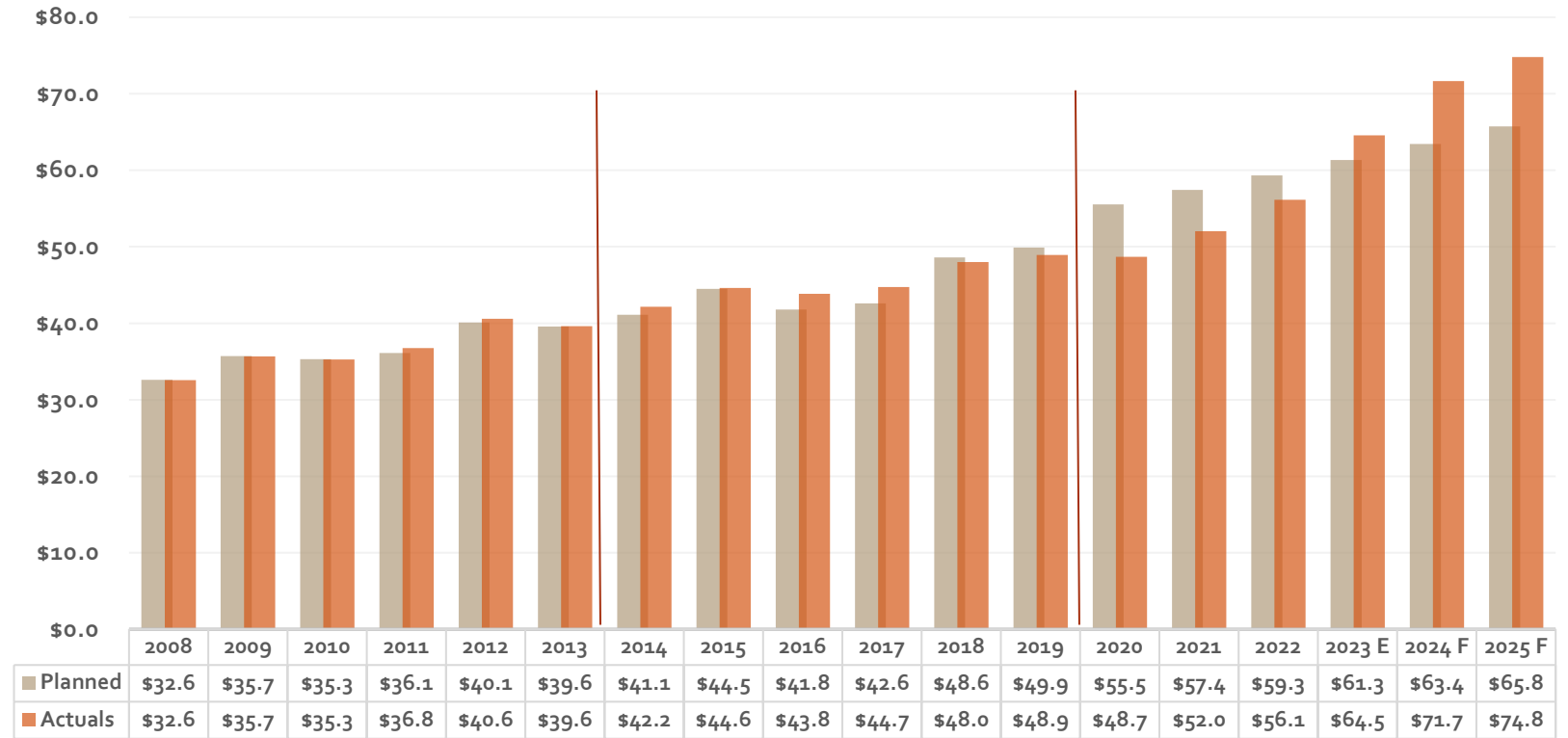


Low inflation years: 2010 (0.6%), 2011 (0.3%), 2014 (1.2%), 2016 (1.1%), 2021 (1.0%)

High inflation years: 2009 (4.2%); 2019 (3.7%); 2022 (6.3%); 2023 (9.5%); 2024 (4.5%)

# Actual costs vs planned costs

## ALS Comparisons Original Levy and Actuals/Forecast



# Allocation Priorities

## REVIEWING ALLOCATIONS:

- Unit Allocation -- salary costs
- Program/Supervisory Allocation -- distribution
- Evaluate Systems Allocation -- student costs
- Equipment Allocation -- equipment, costs, lifespan

## CREATE GROUPS FOR REVIEWING ALLOCATIONS

- Group to review Unit Allocation costs specifically related to paramedic staffing (PTO)
- Group to review Equipment Allocation including basic equipment, equipment lifespan, and updated costs

➤ Agencies to indicate staff to support workgroups