

Establishing EMS as the Third Branch of Public Safety

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A Universal Healthcare Approach

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Overview

- The Issue
 - Funding
 - Retention
 - Coverage
- Solution - Single Payer, Universal Healthcare Model
- Request – A Feasibility Study into a statewide Single-Payer Ambulance Funding Model

Why is ambulance
transport the only 911
service that sends you a
bill?

Funding

1. Fee-For-Service (Direct Revenue)

This is the revenue generated from billing patients for the transport service.

- **Insurance Reimbursements:** Fees paid by insurance companies, including:
 - **Commercial Insurance:** This often pays the highest rate and is relied upon to cover the costs that other payers do not.
 - **Medicare:** Pays a set, federally determined rate, which is often far below the actual cost of service.
 - **Medicaid (Oregon Health Plan - OHP):** Pays the lowest reimbursement rates, which cover only a fraction of the cost.
- **GEMT Funds (Ground Emergency Medical Transportation):** These are crucial supplemental payments designed to close the gap between the low OHP (Medicaid) reimbursement rates and the actual allowable cost of services provided to Medicaid recipients.
- **FireMed and Other Membership Fees:** Membership programs where subscribers pay an annual fee, which may cover certain out-of-pocket costs for transport.

2. General Taxpayer Funds (Primary Subsidy)

Because Medicare and Medicaid payments cover less than the cost of the service (often paying back less than \$500 for a transport that costs the city around \$3,000), the rest of the funding must come from local tax sources.

- **General Fund:** This is the city's main operating budget, funded primarily by property taxes. The General Fund historically covers the largest portion of the budget shortfall for Fire and EMS services.
- **Fire Local Option Levy:** For fire and/or EMS departments separated from their city's, they rely on a set tax rate for their district and/or a local option levy that provides dedicated funding. Some fire and EMS departments operating under city management have levy's to help supplement general fund dollars
- **Community Safety Payroll Tax:** This newer dedicated funding source allocates a portion of its revenue to Fire services, including the Ambulance Transport Fund, to help maintain staffing and buying new equipment.

How ambulances are funded currently: *Fee-For-Service Model*

- Charged a base rate
 - Federal codes list ambulances as transportation, not healthcare
 - Base Rates around Oregon
 - Eugene Springfield Fire - \$2131 (resident) / \$2,384 (non-resident); Mileage \$26.91/mile
 - Oakridge - \$2,000 (resident) / \$2,500 (non-resident); Mileage \$35/mile
 - Lane Fire Authority - BLS-Emergent:\$1,900 (resident) \$2,000 (non-resident). ALS-1 \$2,000/\$2,100. ALS-2 \$2,200/\$2,300. Mileage \$25/mile
 - Clackamas AMR - \$3,480; mileage \$72.90
 - TVFR - \$2,332; mileage \$30.61
 - Portland AMR – \$1,744; mileage \$35.91/mile (Likely will follow suit with Clackamas)

26%

Collection Rate ESF

84%

Percentage of individuals transported by ESF covered by Medicare/Medicaid

Combined average collection rate = \$396.24

Cost Breakdown

Component	Cost Estimate	Notes on Cost Drivers
Personnel (Wages & Benefits)	≈1.1M-1.5M	The single largest expense. Covers salaries, overtime, health insurance, and retirement for the 4.5-5.0 Paramedic/EMT FTEs needed to staff the unit 24/7/365.
Materials & Services	≈150,000-250,000	Fuel, medical supplies (expensive consumables), uniforms, training, and utilities for the station where the unit is housed.
Vehicle Maintenance & Replacement	≈80,000-120,000	Routine maintenance, tires, repairs, and annual funding allocated for eventual replacement of the apparatus (a new ambulance costs over \$300,000).
Administrative Overhead	≈50,000-100,000	Dispatch, billing services, administration, IT support, and insurance (indirect costs absorbed by the General Fund).
TOTAL ESTIMATED ANNUAL COST	≈1.4M-2.0M per unit	This is a highly conservative estimate based on total budget figures divided by the probable number of active units.

Federal Legislation

- **HR1 – The Big Beautiful Act**
 - Expected cuts on the reimbursement side
 - Reductions in medicare spending and additional requirements for medicare/medicaid recipients will likely result in less medicare/medicaid billable transports.
 - More patients will be forced to pay out of pocket for ambulance transports.

Recruitment/Retention

- Average career of a Paramedic 4 years (nationally)
- Call volume varies
 - Multnomah County (systemwide EMS)—≈120,000 EMS 9-1 calls/yr (44 Ambulances)
 - Salem Fire Department—≈ 21,000+ EMS/yr (8 day, 5 night)
 - Tualatin Valley Fire & Rescue (TVFR)—≈ 42,000 EMS/yr (5 Ambulances)
 - Eugene-Springfield Fire (ESF)—≈ 40,000 EMS/yr (9.5 Ambulances)
- Hospital wall times: 3,400-4,200 hours a year and trending up (ESF)
- Pay \$23/hr-\$34/hr
- Schooling Costs and Time
 - 2 yrs minimum
 - ~\$20,000 minimum

Coverage

- Higher coverage in major cities
- Rural areas is population and funding dependent
- Ideal is 1:15,000-20,000
- Current varies
 - ESF 1:30,000
 - Multnomah full capacity: ~1:18,000, but often run less equating to ~1:23,000
- 4 minute response times
 - Time is muscle. Irreversible cell death begins around 4 minutes after oxygen loss

Solution

- Universal Healthcare Model for EMS

- EMS is a mix of government and private resources controlled by county governments
- This is a good system to lay the foundation for a universal healthcare model in Oregon
- State oversight and funding, county allocation and oversight, and delegated local control.
- The system is in place, it just needs a viable funding model

Request: State Funded Feasibility Study

Assess the possibility of ambulance services being funded under a universal healthcare model in the state of Oregon

What Inaction Looks Like

- Constraints with retention
- Longer response times
- Calls holding (no ambulances available)
- Declining quality of care due to lack of experienced providers
- Continued reduction of services available for those who need it
- Funding challenges

Anything done at the local level will continue to perpetuate the haves and have nots

Support EMS as the third branch of public safety
by building a universal healthcare funding model

Special Thank You

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