

At a workshop of the Town Board of the Town of Farmington held at the Farmington Town Hall of said Town on the 12th day of June, at 6:30 PM, there were:

PRESENT: Peter Ingalsbe – Supervisor
Michael Casale – Councilman
Steven Holtz – Councilman
Ron Herendeen – Councilman
Nate Bowerman – Councilman
Michelle Finley – Town Clerk

Also present were: **Don Giroux** – Highway/Parks Superintendent, **Dave Degear** – Water & Sewer Superintendent, **James Hood** – President Victor-Farmington Volunteer Ambulance, **Jeremy Hotchkiss** – Victor-Farmington Volunteer Ambulance, and 4 others from the Victor Farmington Ambulance.

President, James Hood, spoke on behalf of the Victor Farmington Ambulance. He gave a brief history of the ambulance corp. He stated that in the early 1980s they had over 110 volunteers. He stated that they have been blessed with really great care providers but also with great volunteer leaders with business skills in addition to position the agency for a strong future and unfortunately for a lot of communities that is not the case. He stated that in the last six years 7% of ambulance services have closed their doors and 14% of ALS first response agencies also closed. He added that maybe those closed agencies get their aid from neighboring communities or have a for profit ambulance agency that also covers their area. He stated in the areas that ambulance services closed service did not improve. He stated that in 2012 Bristol Fire Department Ambulance closed and last November Brockport Volunteer Ambulance closed their doors. Mr. Hood stated that according to the NYS Director of EMS and Trauma, these closures are part of a disturbing trend and many of the ambulance services across our state are losing volunteers, having difficulty attracting professional staff, and struggling financially. He stated that in Victor and Farmington the story is fortunately different, they inherited a well-managed, fiscally responsible municipal volunteer ambulance agency from generations of citizens who cared for the community. He added that Victor-Farmington provides the highest level of care available in New York State. He stated that our towns have the choice to be able to benefit from the legacy of leadership and care left by generations of volunteers before them.

Mr. Hood stated that the Town of Victor conducted a public safety study in 2016 and the result of that study was a recommendation that additional funding should be raised through a special ambulance district established by each town. He added even though the study was for Victor, their data is for both towns. He stated that since 1990 their call volume had more than doubled. He stated that the respond to an emergency call on average 6-7 times per day. He stated at that rate it is challenging for volunteers to leave their homes or work to respond to these calls. As the community grows so does the need for ambulance services. He stated that over the past ten years there has been a substantial decline in the number of volunteers and the number of calls they covered. He stated that back in 2005 44% of their calls were covered by an all-volunteer crew and 25% were covered by all paid staff crew and about a third of that was covered by a mixture of paid and volunteer. He added that in 2015, only 5% of the calls were covered by an all-volunteer staff, nearly 70% of the calls were covered by a paid staff. He stated that the 2018 numbers are even greater than those numbers. Mr. Hood stated that replacing volunteers with paid staff is very costly.

Mr. Hood stated that the community's needs and expectations for ambulance services has also changed over the years. He stated that in the 70's a crew needed a driver's license and basic first aid card to answer a call, as we move through the 1980's and 90's the 911 system was going into effect and people no longer had to call the ambulance agencies directly, and in 1990 Ontario County started an advanced life support agency that was centralized. He stated that today, people expect to pick up their cellphones and dial 911 and within 8 to 10 minutes have a quarter of a million dollar ambulance and a paramedic trained in advance cardiac life support and pediatric advanced life support and pre-hospital trauma life support and all the medications and technology at their doorstep ready to assist them. He stated that they have also seen changes in the health care marketplace, the Affordable Care Act is driving significant change and volatility in the healthcare market as well. Other significant changes are less private insurance, self-pay and high deductibles, aging population and Medicare and Medicaid which represents almost 2/3 of their call volume. He went over how insurance payments have changed since 2011. For example, in 2011 Medicare covered nearly 41% of patients and 2017 it rose to 51%.

Mr. Hood went over an example of what a basic life support service call cost and the challenges to the billing-based model. He stated that an average basic life support service call cost \$860, under the Medicaid insurance \$95.07 is reimbursed which equals a \$765 loss; and under the Medicare insurance \$379.79 is reimbursed which equals a \$480 loss, and under the self-insurance, under the self-insurance and high deductible plans is usually .65 on the dollar. He stated that in order to keep the books balanced they need to bill the patients under private insurance \$1,620 is reimbursed which equals a \$760 contribution. He added that they cannot just keep increasing the cost to the private insurance patients. Supervisor Ingalsbe asked if the \$860 takes into account everything in their whole budget such as building maintenance, payroll, vehicle maintenance, and benefits. Mr. Hood replied yes everything and about 2.4% of their income comes from the towns. He added that they receive enough money to keep their doors open for about 9 days per year, they receive about \$50,000 per year in donations and united way and rest of their 1.3 million comes from billing.

Mr. Hood stated that from 2000 to 2011 they had a very good business model then the affordable health care act came into place and since 2012 substantial rate increases have kept things in the black. He stated that continuing to increase full insurance patient billing to cover underpayment losses is unsustainable. He summarized the trends: volunteerism is decreasing, professional staff accounts for 71% of their budget, residents expect Advanced Life Support services, insurance reimbursement rate significantly reduced, and technology driving healthcare expenses (cost are increasing and reimbursements are decreasing and the need for services is growing). He stated that it is very clear that they need a new funding strategy.

Supervisor Ingalsbe asked if they take anyone who wants to volunteer and place them in a job with their skills. Mr. Hood replied that they do try to find them a job that matches their skills but that's where the rubber hits the road when it comes to drivers and medics. He added that what they really need to run the business is people who will sit on the ambulance. Town Clerk Finley asked if a physical is still required to volunteer, Mr. Hood replied yes. He mentioned a few local benchmarks in the area such as CHS Mobile Integrated Healthcare in Henrietta, Gates Volunteer Ambulance, and Brighton Volunteer Ambulance. He added that all those have a special ambulance tax district which is administered by their municipalities and each town contracts with their municipal provider for their service. He stated that they are proposing this same business model that they hope the towns of Victor and Farmington will adopt to continue to ensure high quality pre-hospital care.

Mr. Hood pointed out that we have similar populations served as Brighton and Gates. He added that from a geographic size Brighton and Gates are very small compared to VFVAC which covers 75.4 miles (Farmington and Victor). He stated that what really drives their costs and makes their business in the Towns of Farmington and Victor different from a lot of the other agencies is the transport time. He stated that Brighton, Gates, and CHS can take a call, drive a patient to the hospital, and as soon as they drop off the patient can take another call; VFVAC transport time is on average a 29 minute drive one way to the hospital. He added that what that turn around does for them is drives the crew cycle times. For example, to take a patient to Strong Memorial Hospital takes 2 hours. He said during that time their crew is out of service until it arrives back in the district, so they either roll the dice and hope another call doesn't not come in or do they pay an outside service to cover for them. He added that they are doing their best to cover but under the current business model they addressed and where they really need to improve their services is additional funding so they can pay additional staff so when they do have multiple calls they have someone else available. He stated that if the board looked at the 6-7 calls they receive on average per day they would see on average the crew spends 5 hours per day transporting. Mr. Hood went over the differences: similar population as smaller agencies, over 2x geography closer to larger agencies, more than 2x total call time than all benchmarks, and increased call volume requires additional staff to maintain responsiveness.

Mr. Hood stated that the VFVAC is requesting that the towns of Farmington and Victor work together to establish a special ambulance tax district at a rate of \$.35 to ensure the highest quality pre-hospital care for our families, friends, neighbors, and guests. The community funding model they are proposing was recommended by the public safety committee in the Town of Victor and is used by Brighton (.12 cents), Gates (.44 cents), and CHS (.22 cents). He stated that an average household with an assessed value of \$150,000 would see a \$4.38 per month contribution.

He stated that they are confident that the .35 rate will allow them to meet community needs. Councilman Casale asked how they will work the rate annually. Mr. Hood replied by signing a multi-year contract but they can work those details out later. Councilman Casale asked about a four year contract. Mr. Hood stated that would be great.

Supervisor Ingalsbe asked how much of the .35 cents is raised between Victor and Farmington. Mr. Hood stated that he had met with the Assessors from both Farmington and Victor and the baseline is about \$1.1 million. Councilman Bowerman asked if that amount would cover most of their budget. Mr. Hood replied that it would be in addition to their budget, they would use that money to increase service by mostly increasing staffing (2-3 crews on) and they need to make capital improvements. He added that right now they run two crews from 6 am to 6 pm and only one crew on in the evening which unfortunately is then they drop most of their calls and during peak season and certain times of the year it would be beneficial to have a third crew on. Supervisor Ingalsbe asked who they use as a backup when they do not have an ambulance. Mr. Hood replied that they use a mutual aid service from Canandaigua Ambulance and Finger Lakes Ambulance or sometimes from Wayne County if it is needed. Councilman Holtz asked how the .35 cents per thousand come up with. Mr. Hood replied that is what they thought was needed to be sustainable. Councilman Holtz asked if they have a total number they are trying to hit for each year. Mr. Hood replied correct. Councilman Bowerman asked if they would continue with the insurance billing. Mr. Hood replied yes but hopefully will be able to rationalize the rates and back them off in a few years but that depends on what congress does. Councilman Bowerman stated that the community is going to ask why they would be paying an annual tax and be billed for ambulance services, it would like paying double. Mr. Hood stated that if they wanted the community to completely pay for ambulance services it would be about a .70 cent per thousand special tax district. He added that both towns have a lot of visitors so if they didn't bill for services and only charged people in the community, the people visiting would not get billed and he isn't sure that that is a fair business model. He added that they would still want to get Medicaid and Medicare funding. Mr. Hood stated that there are different options available they could go over later. Mr. Hood stated that they had their attorney look into the option to bill certain people and not bill others and that would create some challenges by the State Department of Health. He added that there are other models they could use but felt this one is the best one to use. He felt the .70 per thousand would be too much of a burden.

Mr. Hood stated that he ran some numbers and out of the approximately 30,000 people between the two towns, only 2% (roughly 525 people) pay to have the ambulance ready and waiting for everyone else. Everybody benefits from those 525 people. Mr. Hood stated that their staff has very strict training requirements which the ambulance pays for and the agency are re-certified annually (went over certifications and requirements).

TOWN BOARD WORKSHOP

JUNE 12, 2018

Councilman Holtz asked what operating budgets do the three agencies they are comparing themselves to have. Mr. Hood replied that he could get those figures for them. Councilman Bowerman asked if those agencies were also running under a special district tax and all billing, Mr. Hood replied yes. Mr. Hood stated that he would get the figures for them.

Supervisor Ingalsbe stated that he will post the slides on the town's website and the Board will look this over internally and get back with them. Mr. Hood thanked the board for their time. Councilman Bowerman asked if it covers the entire town. Mr. Hood replied yes.

Workshop ended at 7:10 p.m.

Minutes were taken and transcribed by:

Michelle Finley, MMC, RMC
Farmington Town Clerk