



2024 EMERGENCY MEDICAL SERVICES REVENUE ANALYSIS

Hallandale Beach, Florida

December 4, 2024



BACKGROUND



City of Hallandale Beach, Florida entered into a contract with the Broward Sheriff's Office (BSO) for Fire Rescue and EMS services

- January 4, 2020
- The City conducted an evaluation of this contract
 - June 2021 BSO Cost Analysis stated that EMS revenue generation was stable before and after transition
 - The study recommended initiating a fire assessment study to indirectly support EMS funding to cover a greater portion of fire suppression costs
- The City directed a Community Risk Assessment (CRA) and Standards of Cover (SOC) study to ensure alignment with best practices for Fire Rescue and EMS services
- The City proposed an EMS Revenue Analysis to evaluate critical revenue factors

FINANCIAL ANALYSIS



EMS Revenue Study:

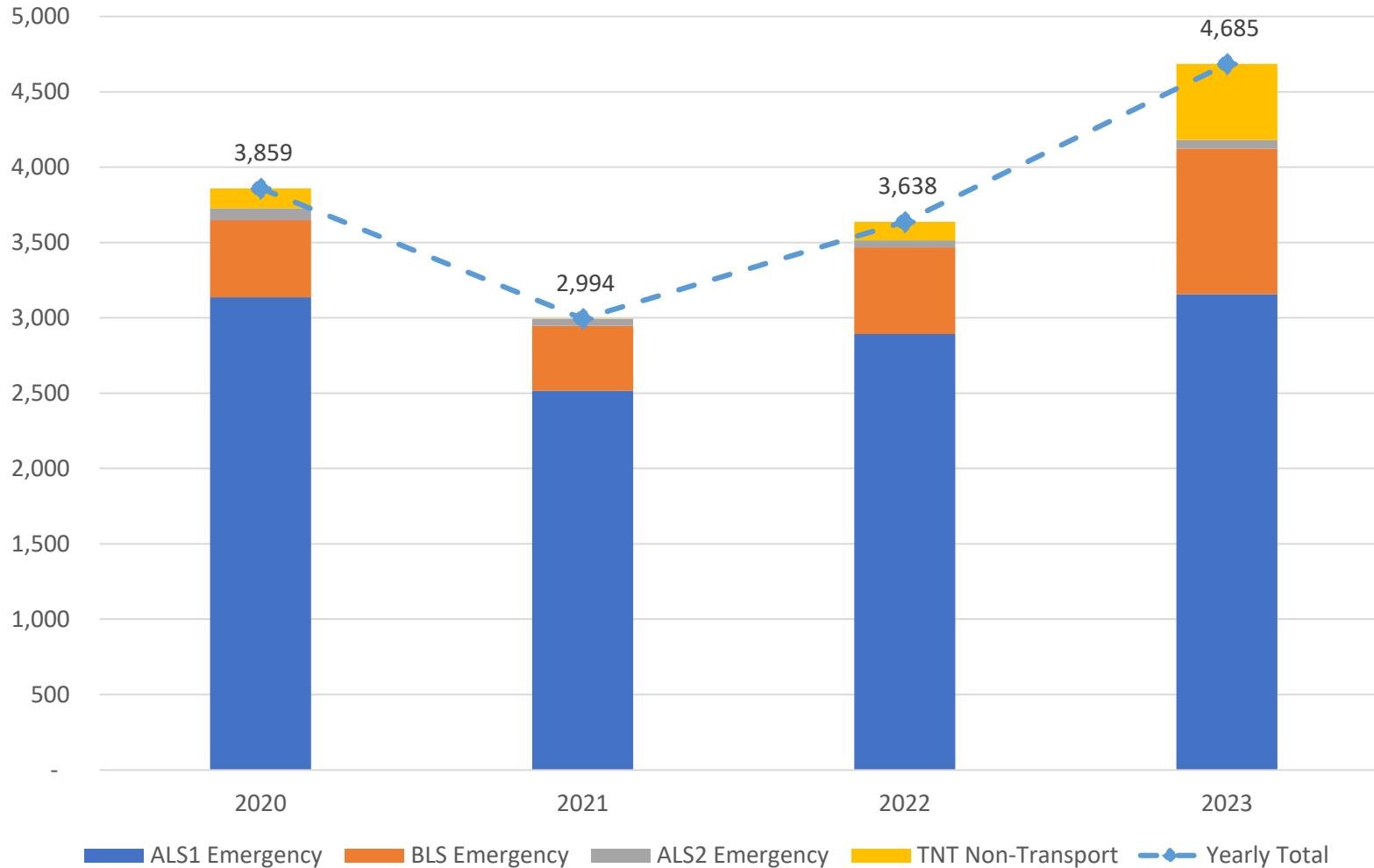
- Review payor mix
- Policy and guidance documents
- Collection and bad debt rates
- Agreement with private billing contractor
- Benchmarking against comparable cities/municipalities
- Fire Assessment Methodology Report

Actionable Strategies to:

- Boost revenue collection
- Reduce bad debt
- Set benchmarks with comparable municipalities
- Strengthen the City's financial performance in EMS delivery

BILLABLE INCIDENTS

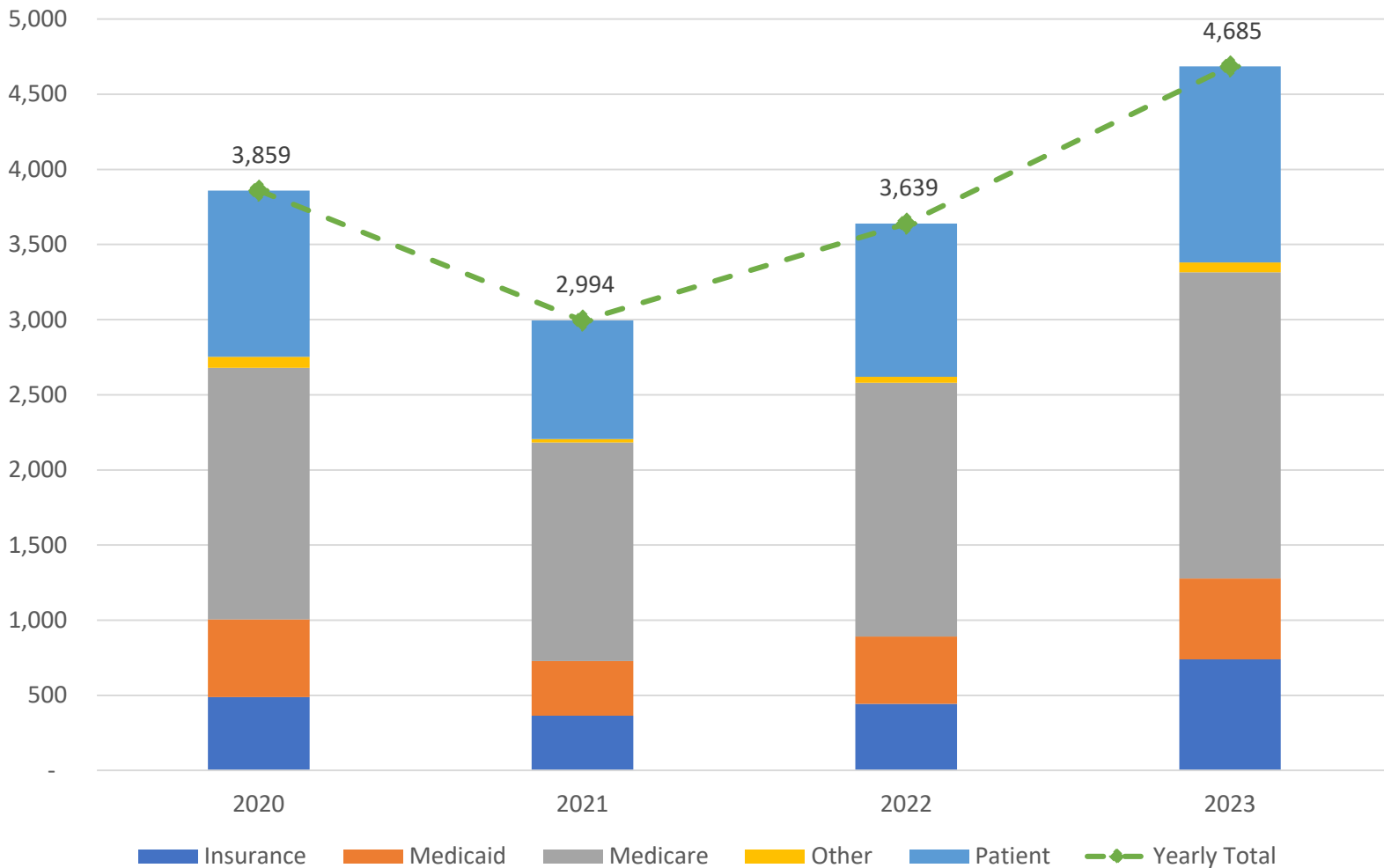
Level of Service, FY 20 - 23



- Majority of Billable Incidents are ALS Emergencies
 - Around 3,000 incidents per year
- BLS Emergencies
- Factors affecting incidents:
 - Growth
 - Age
 - Health
 - Mileage (areas of transport)

BILLABLE INCIDENTS

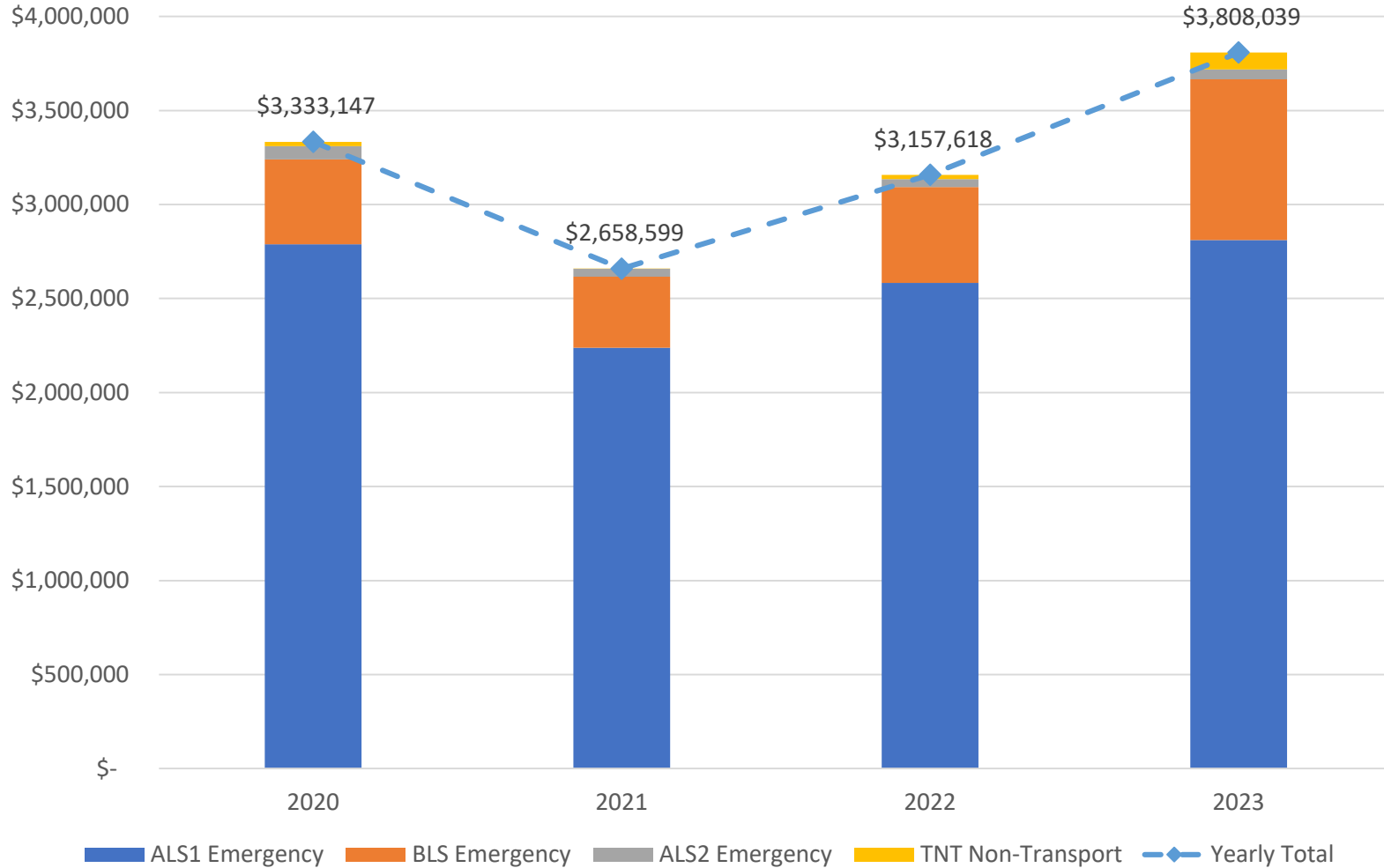
Financial Class, FY 20 - 23



- In FY 23, Medicare patients accounted for 43.52% of the billable incidents.
 - Medicare pays 80% of covered medical transportation costs after Part B deductible.
 - Remaining 20% is patient responsibility.
- Medicare accounts for 45.17% of the total number of billable incidents through the four years.

GROSS CHARGES

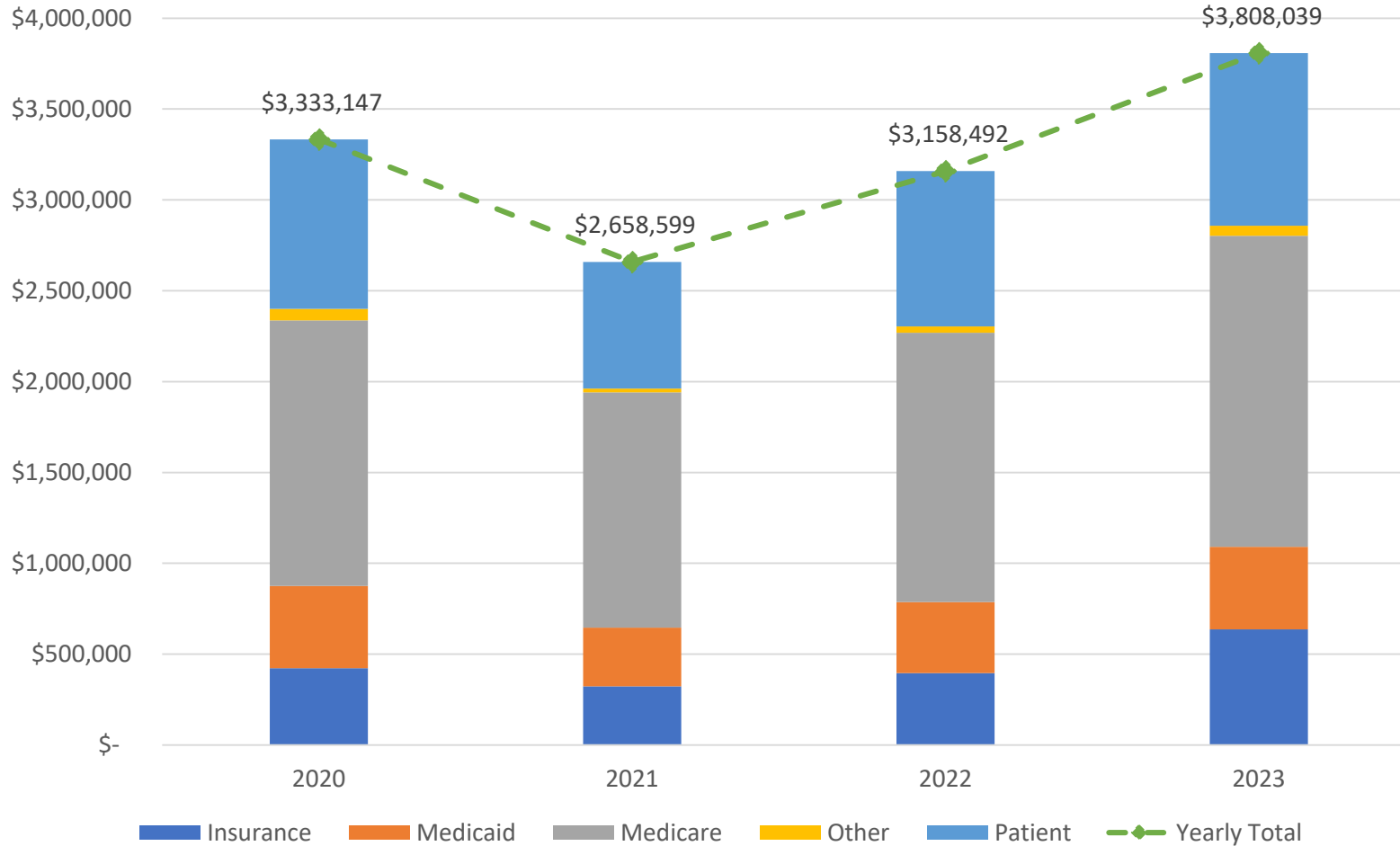
Level of Service, FY 20 - 23



- In FY 23, the amounts invoiced comprised of 73.81% toward ALS1 Emergencies.
- Of the total period being analyzed, ALS1 Emergencies equated to 80.42% of the total gross amounts invoiced.

GROSS CHARGES

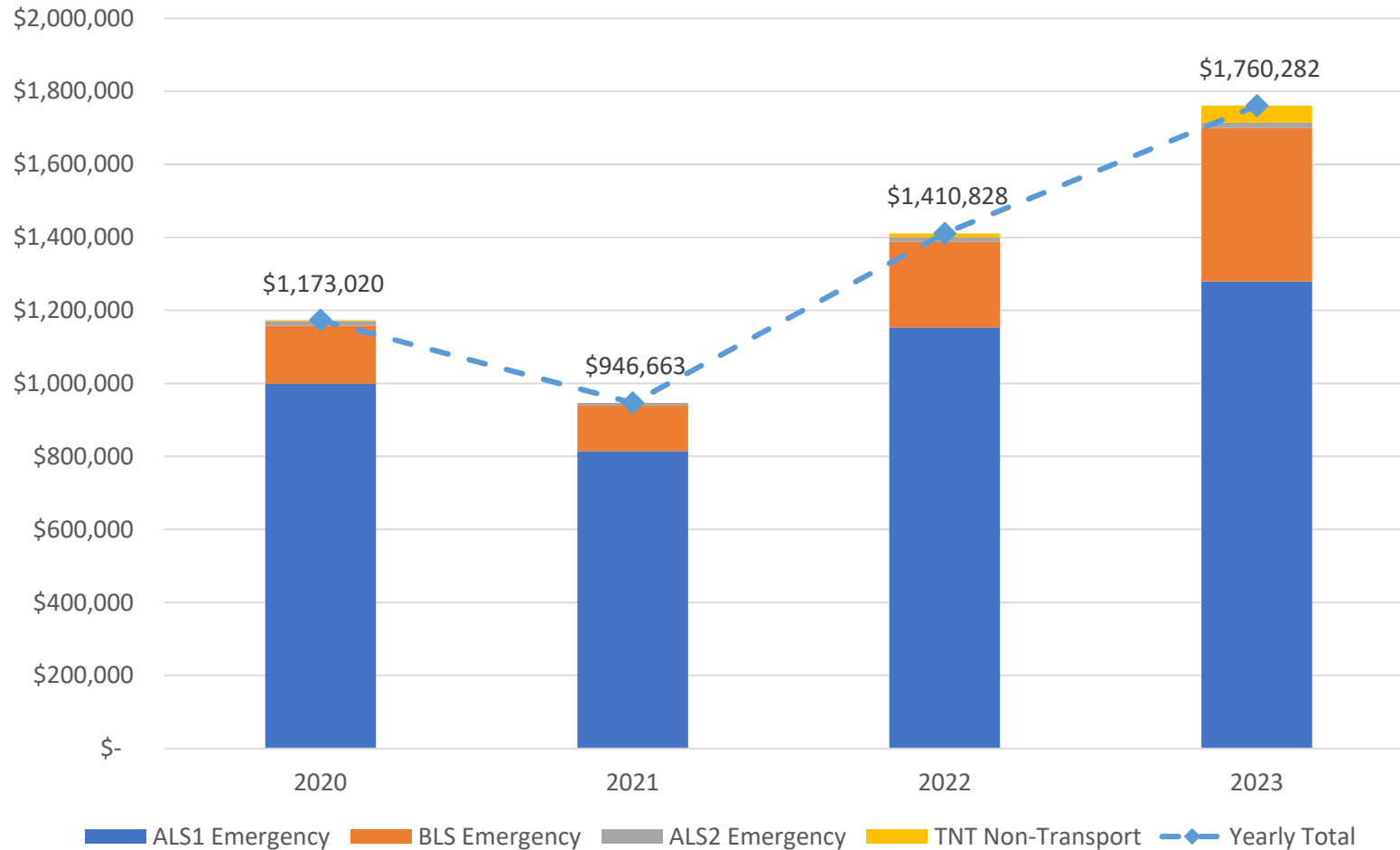
Financial Class, FY 20 - 23



- Medicare charges consist of 45.92% of the total period being analyzed.
- In FY 23, 44.94% of the gross charges can be attributed to Medicare.
- Patient self-pays are 24.96% of the charges for the same FY, indicating either insurances not covering the transports or patients not having insurance.
- Throughout the years, patient self-pays consist of about 26.52% of the charges, while the percentage of individuals with insurance increased and Medicaid and Medicare patients decreased slightly.

ADJUSTMENTS

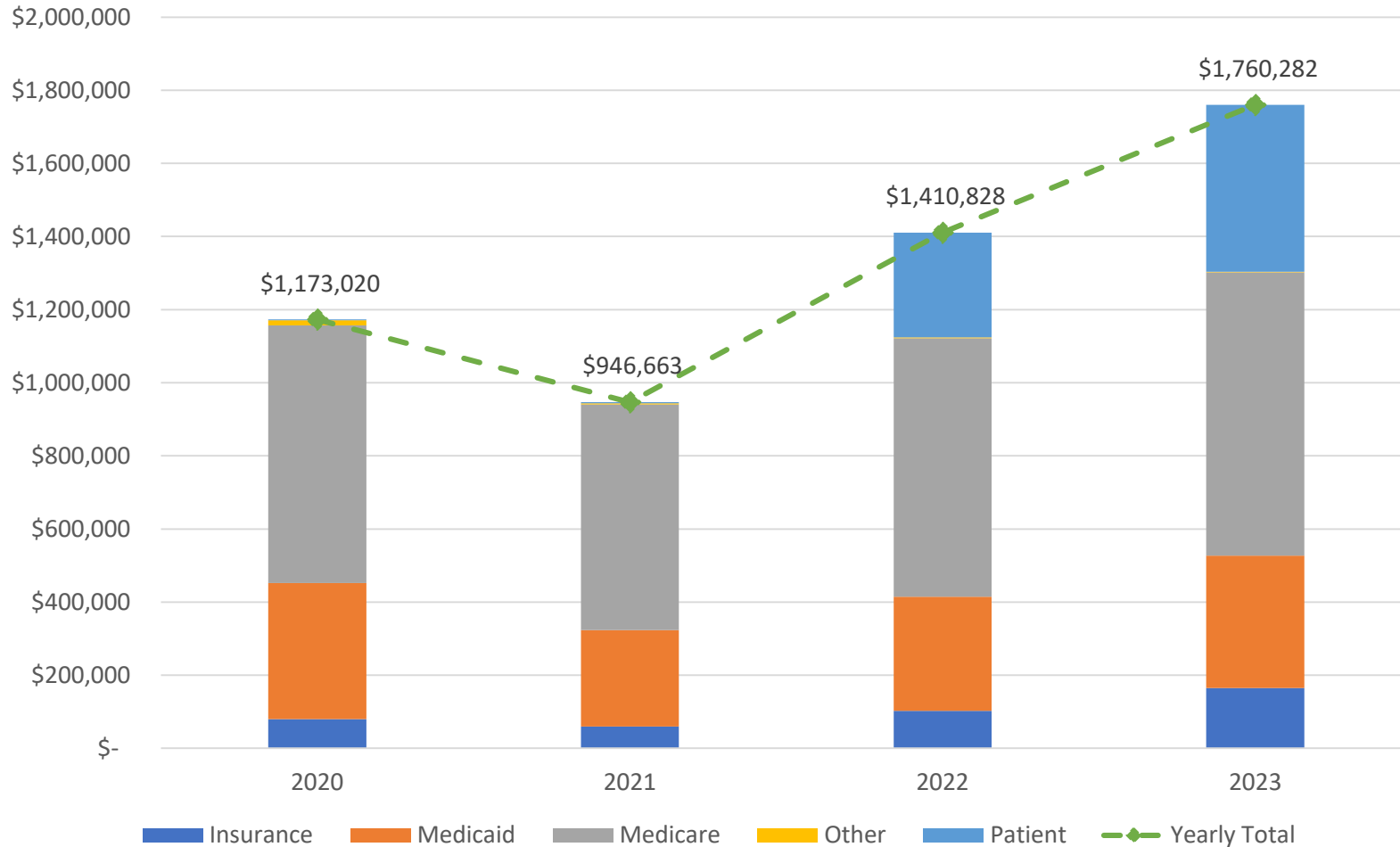
Level of Service, FY 20 - 23



- 80.25% of the total number of adjustments were made to ALS1 Emergencies over the 4-year period of data provided.
- The percentage of adjustments made to BLS Emergencies increased largely from FY 22 at 16.64% to 23.90% of adjustments made in FY 23.
- Factors affecting adjustments:
 - ICD 10 Billing Codes
 - Charges accepted by insurances
 - Narratives not matching billing codes used

ADJUSTMENTS

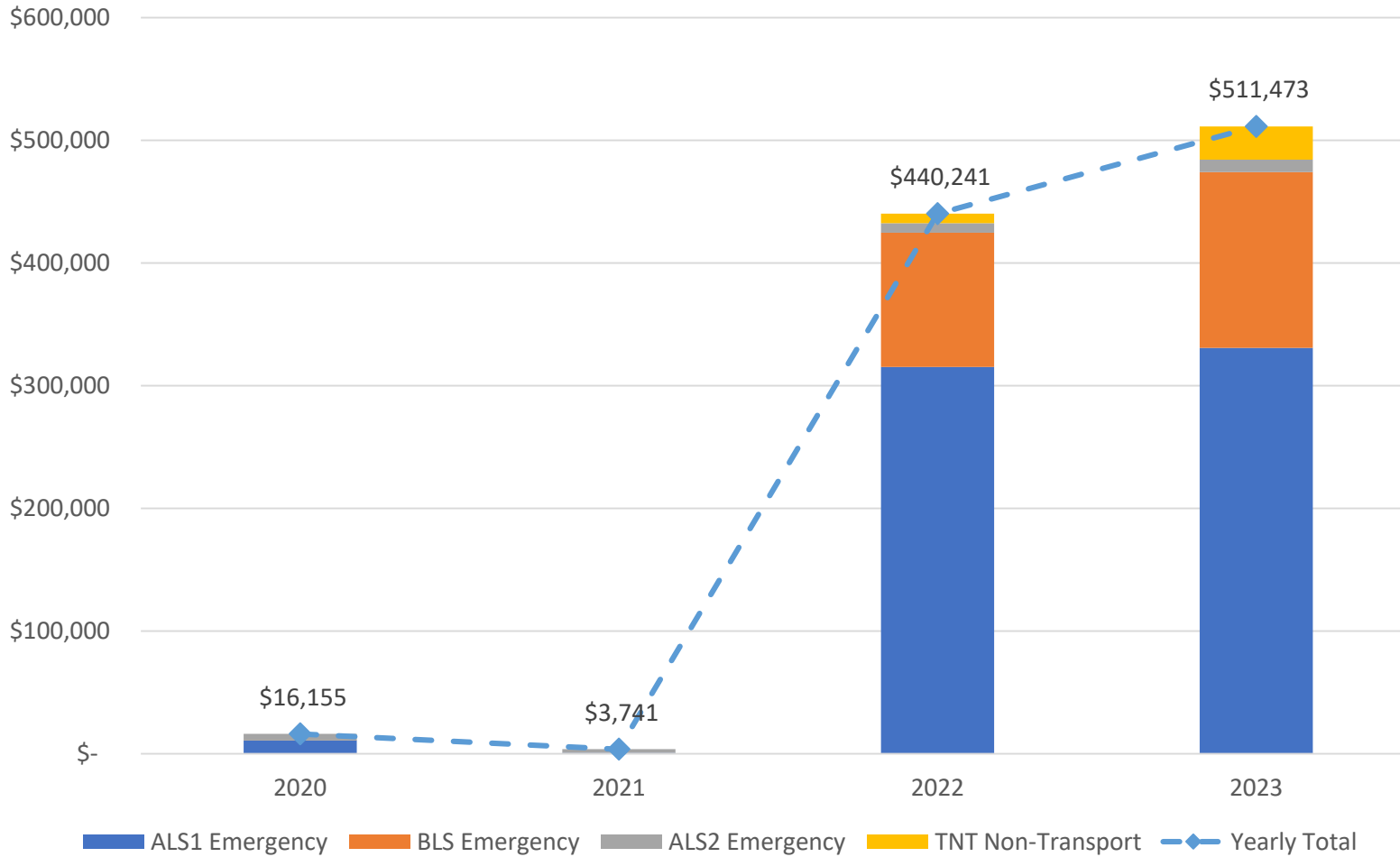
Financial Class, FY 20 - 23



- Most adjustments were made for Medicaid and Medicare patients throughout the years.
 - Ambulance fee allowed rates
- FY 22 and 23 show a large majority of patient self-pays being adjusted.
 - Transport Fee Waiver
- For FY 22, patient self-pay adjustments consist of 20.32% of the amounts, and 25.95% for FY 23.

WRITE OFFS

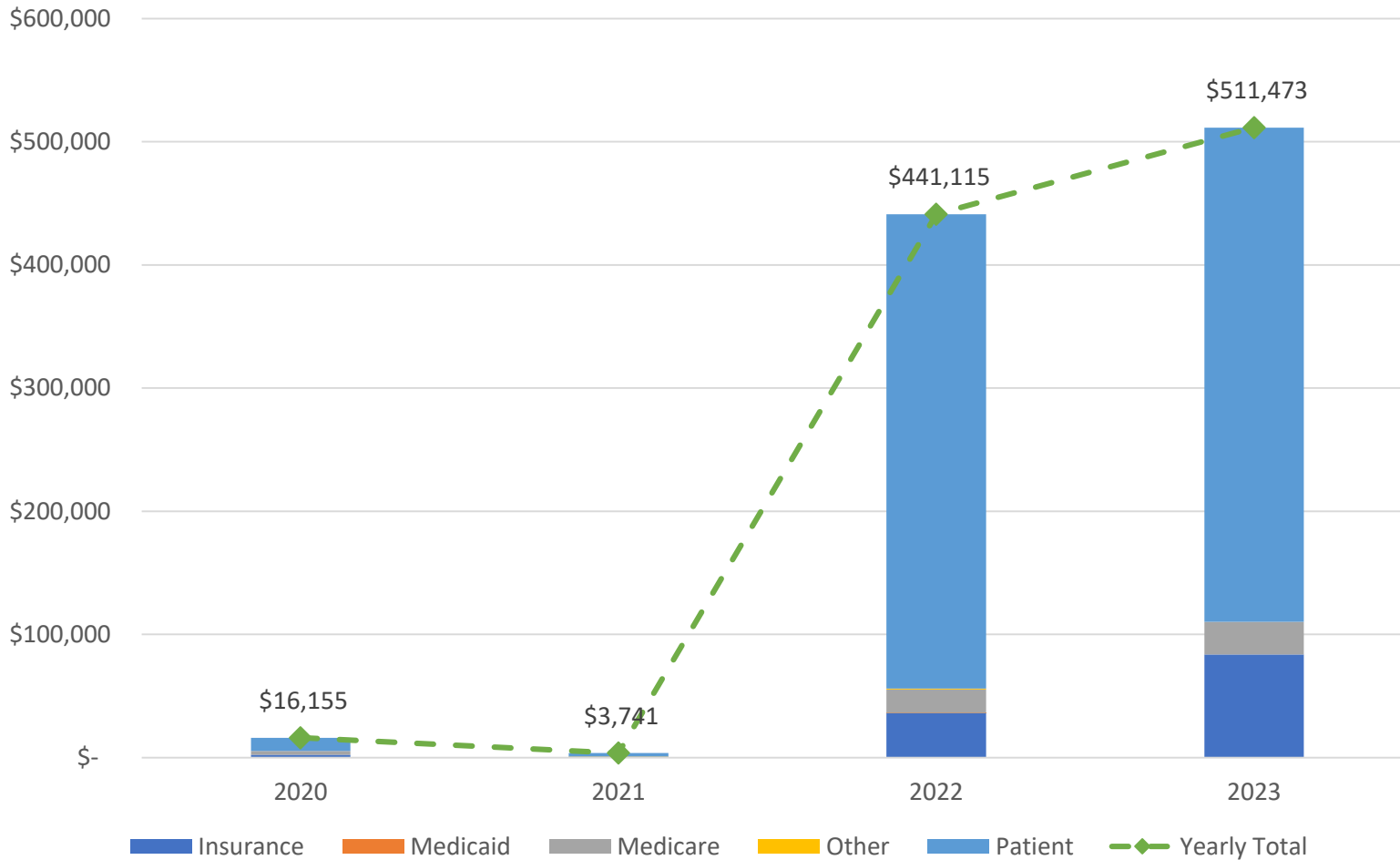
Level of Service, FY 20 - 23



- Large amounts written off for ALS Emergency transports.
 - Billing codes
 - Narratives
- There were very few amounts written off for FY 2020 and 2021, which can be attributed to the economic relief funds provided for COVID-19.
 - No balance billing (patients not sent bills for remaining funds after COVID payments received)

WRITE OFFS

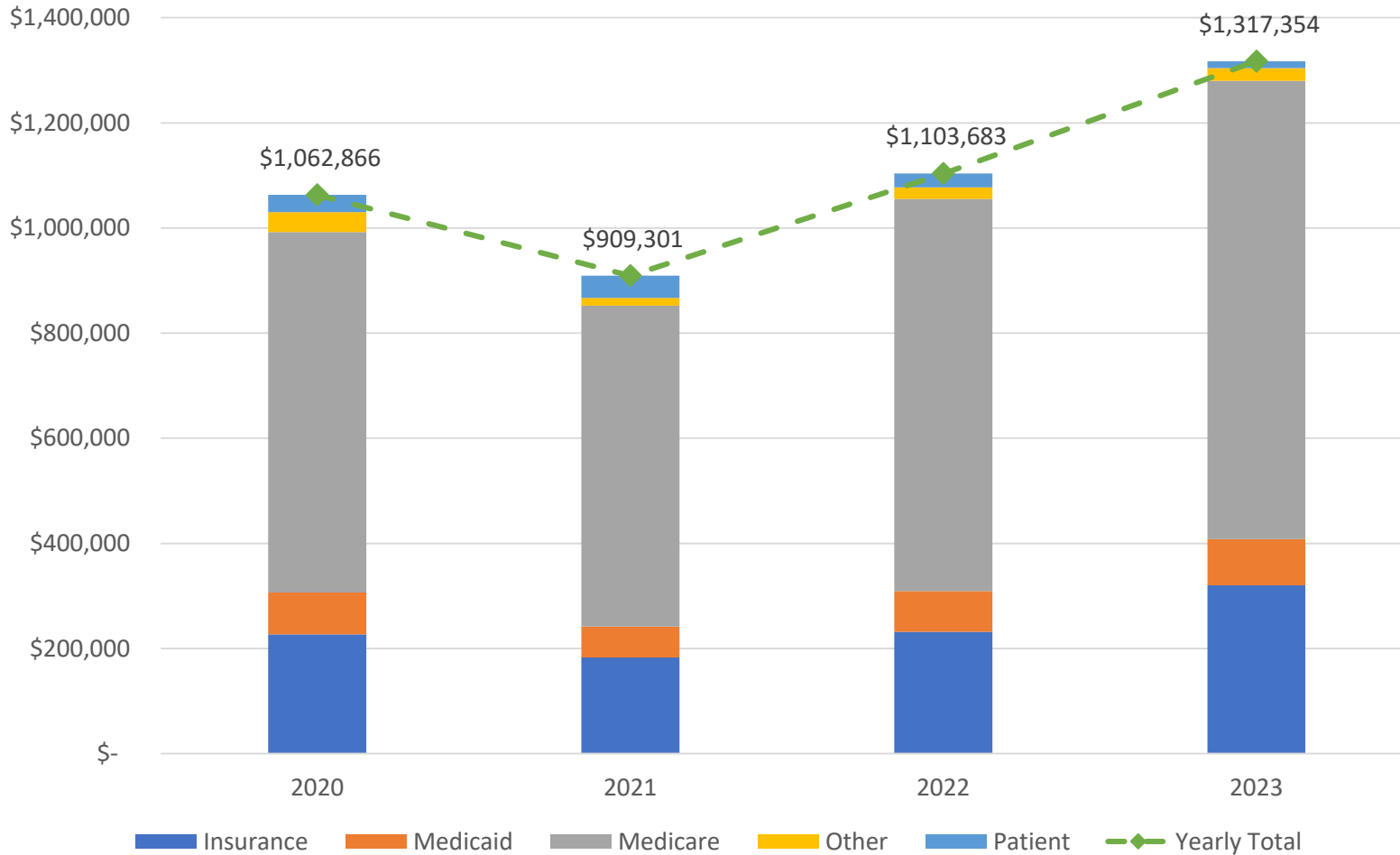
Financial Class, FY 20 - 23



- Transport fee waivers
 - Unclear if multiple instances used
- Inactive accounts are sent to collections when no payment has been received more than 120 days from the first invoice date.
 - Increasing the time to leave an account active may help reduce collections or write offs.
- Unavailable data regarding insurance claim denials
- The majority of the write offs were made for patient self-pays, which comprised of 82.23% of the total period.
- In FY 22, 67.81% of the net charges were written off for patients.
- In FY 23, 81.24% of the net charges for patients were written off.

COLLECTIONS

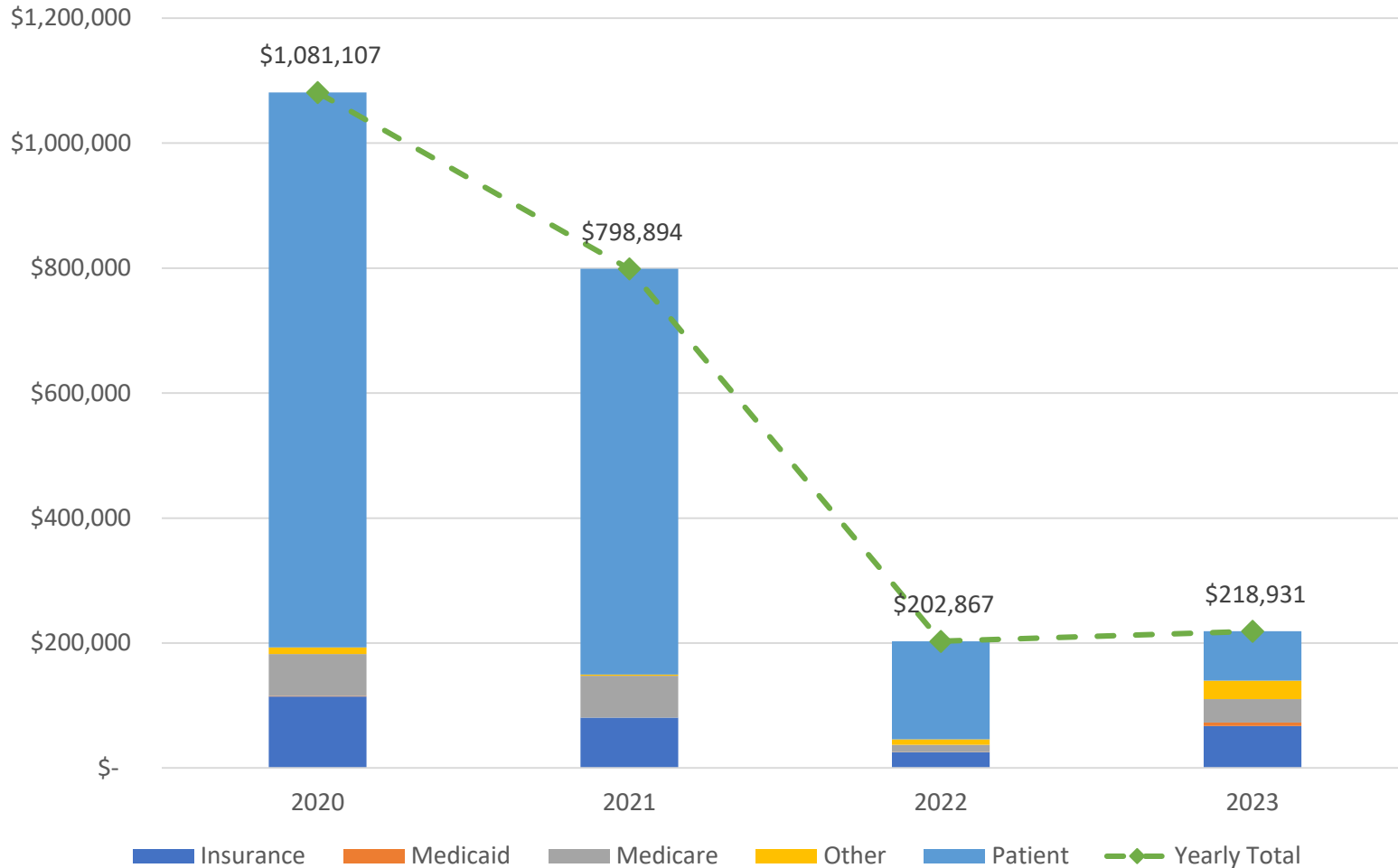
Financial Class, FY 20 - 23



- The collected amount from ambulance fees averages 2.79% annually.
- Medicare accounts for 66.21% of the total amounts collected
- Medicaid accounts for 6.64% in FY 23
- Insurance is 21.90% of the total amounts collected in FY 23.
 - Being able to collect more from insurance companies can help attribute to revenue increases.
- Accounts sent to collections when no payment has been received more than 120 days from the first invoice date.
- Payment plans go to collections if more than 180 days have passed since the payment start date or if more than 60 days have passed since the most recent payment.

BALANCE DUE

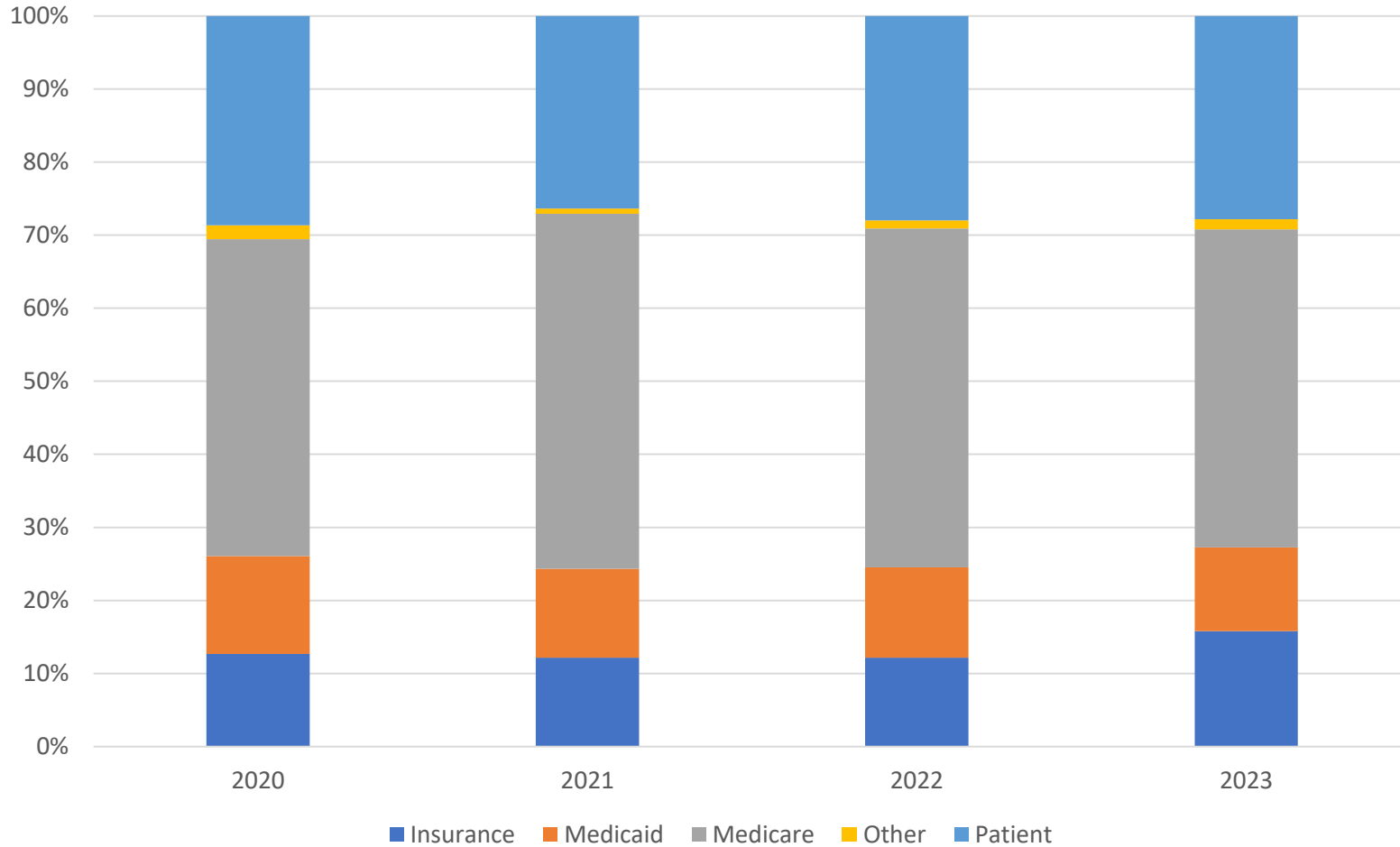
Financial Class, FY 20 - 23



- Significant amount of balance due for FY 20
 - COVID 19
- Not enough data to determine the amount of high system frequent utilizers
 - Transports for the same patient multiple times a year
- ALS1 Emergencies have a balance due
 - Narratives
 - Billing ICD-10 codes used
 - 75.91% of the balance due (2020)
- 19.65% can be attributed to BLS Emergencies

TRANSPORT MIX

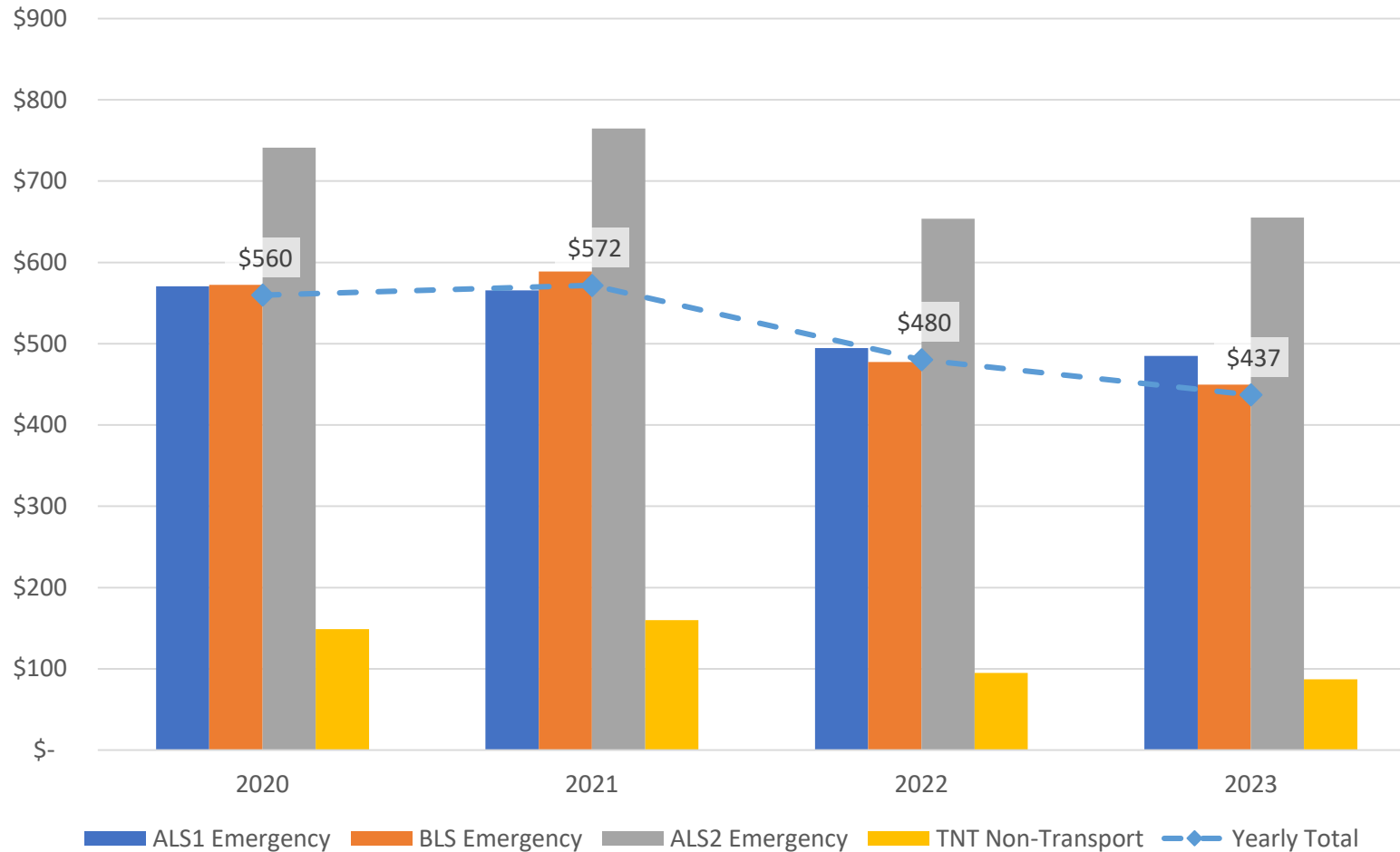
Financial Class, FY 20 - 23



- Medicare patients comprised 45.47% of the total transport mix (all years)
- Medicaid patients accounted for 12.34%. (all years)
 - The percentage of Medicaid patients decreased from 13.40% in FY 20 to 11.46% in FY 23.
- Patients covered by insurance were 13.20%
 - FY 20 had 12.67% of patients with insurance
 - FY 23 had 15.80% of patients that were covered by insurance
- 78.06% of the transports in 2020 were ALS
- 16.03% were BLS in 2020

AVERAGE NET CHARGE

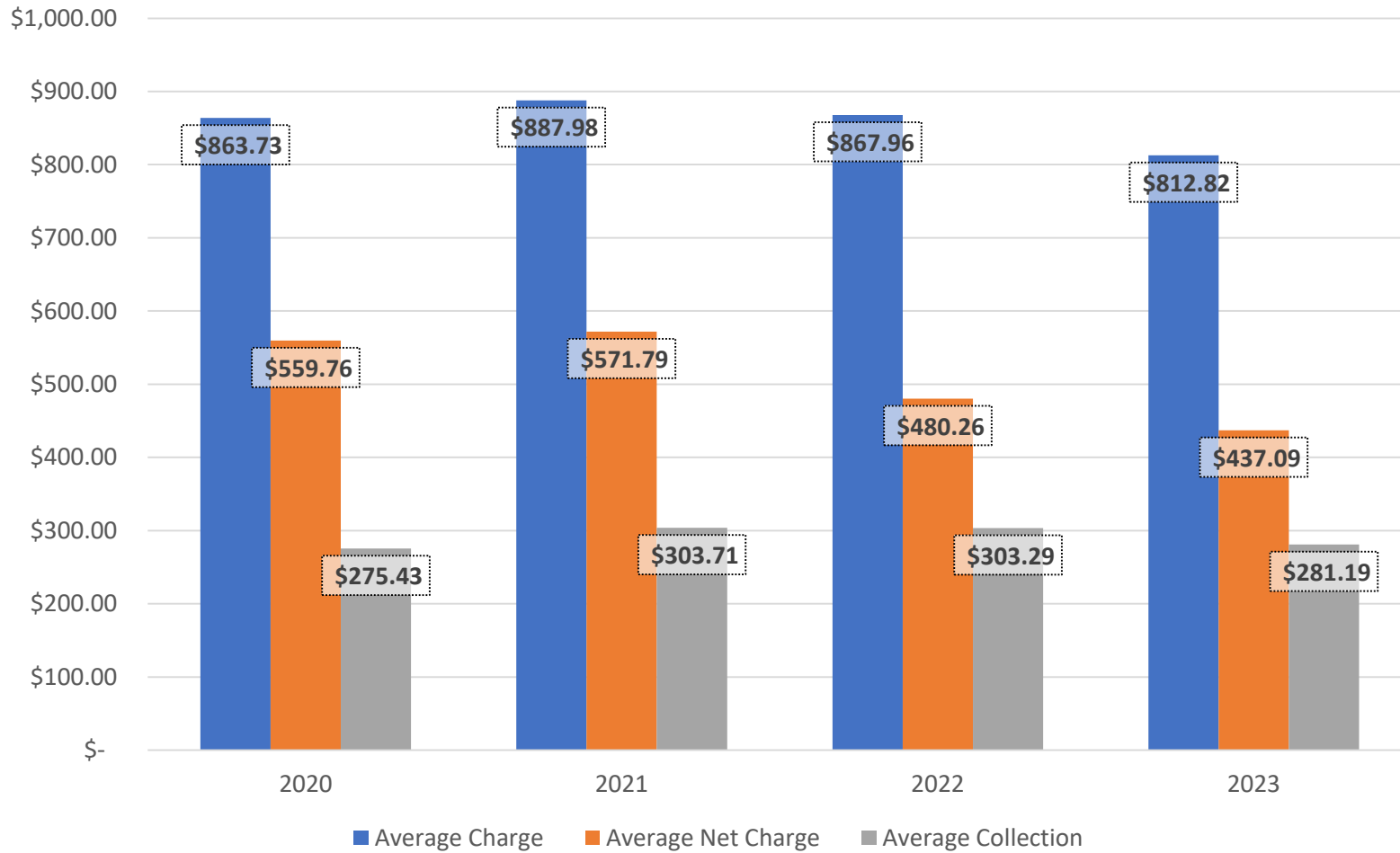
Level of Service, FY 20 - 23



- ALS1 Emergencies and BLS Emergencies
 - Different costs and levels of skill
 - Almost the same amounts through insurances
- It is undetermined if there are standard operating procedures/guidelines (SOPs/SOGs) related to patient documentation that have been adopted to clearly help define commonly accepted notes and descriptions for previously approved ALS1 Emergencies.
 - Can help reduce the amounts of write offs.
- ALS2 Emergencies decreased from \$741 in FY 20 to \$655 in FY 23.



AVERAGE CHARGES



- The average amount collected for ALS1 Emergencies has gone from \$305 in FY 20 to \$336 in FY 23.
- BLS Emergencies increased from \$158 in FY 20 to \$232 in FY 23.
 - Denials
 - Narratives
 - Timelines to send accounts to collections
 - Review transport waiver policy



EMS REVENUES

	FY 21 Actuals	FY 22 Actuals	FY 23 Actuals	FY 24 Adopted	FY 25 Proposed
City Payments	\$14,442,490	\$16,405,235	\$16,990,163	\$18,084,380	\$20,460,343
Fire Assessment	\$9,136,538	\$9,446,590	\$9,582,038	\$9,812,965	\$10,049,458
PEMT/MCO	\$247,187	\$222,299	\$287,258	\$314,778	\$344,933
Ambulance Fees (Collections)	\$909,301	\$1,103,683	\$1,317,354	\$1,218,518	\$1,356,785
Remaining to EMS (Fund Balance)	\$4,149,464	\$5,632,662	\$5,803,513	\$6,738,120	\$8,709,167
% to EMS	36.7%	42.4%	43.6%	45.7%	50.9%

- The City Payments are actuals paid to BSO for fire rescue services for the City of Hallandale Beach’s contractual obligations.
- The Fire Assessment is what was anticipated as collections by the Broward County Property Appraiser, with the projected rates for FY 24 and FY 25 at 2.41% year over year increases.
- The PEMT/MCO amounts were projected to increase approximately 9.58% year over year for FY 24 and FY 25.
- The Ambulance Fees collections are projected based on individual projections of transports and average collection amounts.
- The remaining to EMS fund balance is then determined by what is calculated as a remainder based on what the City pays to BSO for fire rescue and emergency medical services by subtracting out the fire assessments, ambulance fee collections and PEMT/MCO supplemental payments.

PROJECTED EMS REVENUES



	FY 25 Proposed	FY 26 Estimated	FY 27 Estimated	FY 28 Estimated	FY 29 Estimated	FY 30 Estimated
City Payments	20,460,343	20,930,931	21,412,342	21,904,826	22,408,637	22,924,036
Fire Assessment	10,049,458	10,109,754	10,170,413	10,231,435	10,292,824	10,354,581
PEMT/MCO	344,933	353,177	361,618	370,261	379,110	388,171
Ambulance Fees (Collections)	1,356,785	1,507,117	1,674,105	1,859,596	2,065,639	2,294,512
Remaining to EMS (Fund Balance)	8,709,167	8,960,883	9,206,206	9,443,534	9,671,064	9,886,772
% to EMS	50.9%	51.7%	52.5%	53.3%	54.1%	54.8%

- City Payments were projected at an average of 2.30% year over year increases.
- The Fire Assessment is averaged at 0.60% year over year.
- PEMT, while dependent upon the budget allowed for the Agency for Health Care Administration (AHCA) and the data provided for Medicaid/Medicare transports, is estimated to average at 2.39% year over year.
- Millage rate revenues are not included, but theoretically, if implemented, would equate to the line that indicates the Remaining amounts to EMS (Fund Balance).

FY23 COMPARABLES

Transport Mix % by Financial Class



	Insurance	Medicaid	Medicare	Other	Patient
Cooper City	23.65%	7.67%	55.79%	2.43%	10.45%
Dania Beach	19.89%	15.47%	41.36%	2.60%	20.68%
Deerfield Beach	15.82%	12.39%	51.71%	1.47%	18.59%
Hallandale Beach	14.67%	11.60%	44.17%	1.10%	28.47%
Lauderdale Lakes	18.17%	21.80%	38.57%	1.23%	20.23%
Pembroke Park	15.83%	16.99%	48.89%	3.20%	15.08%
West Park	19.33%	19.39%	41.33%	2.49%	17.47%
Weston	27.10%	4.72%	53.62%	3.00%	11.56%

- While Cooper City and Weston have outlying percentages of transport, it indicates that the patients being served for the other agencies have similar percentages of Medicaid patients, Insurance and Medicare.
- Medicaid patients indicate that there are certain levels of household income patients in the area.
- Medicare patients indicate that there are certain age levels of population that are being transported.
- Hallandale Beach, Dania Beach and Lauderdale Lakes have more percentages of transport whereby the patients are paying the costs themselves.
- While these comparisons are for transports made in FY 2023, they are only indications of the patients that have been transported, which is not an accurate representation of the population in the metropolitan statistical area (MSA).¹⁹

FY23 COMPARABLES

Average Gross Charge per Transport



	Insurance	Medicaid	Medicare	Other	Patient	ALS1 Base ¹
Cooper City	\$945	\$921	\$917	\$914	\$923	\$850
Dania Beach	\$1,332	\$1,165	\$1,323	\$1,353	\$1,333	\$1,225.66
Deerfield Beach	\$1,071	\$1,077	\$1,064	\$1,094	\$1,077	\$1,000
Hallandale Beach	\$862	\$838	\$840	\$843	\$731	\$850
Lauderdale Lakes	\$1,066	\$1,084	\$1,059	\$1,051	\$1,062	\$1,000
Pembroke Park	\$822	\$849	\$814	\$814	\$813	\$850
West Park	\$886	\$890	\$888	\$971	\$892	\$850
Weston	\$910	\$963	\$885	\$900	\$939	\$760

- Dania Beach, Deerfield Beach and Lauderdale Lakes have larger base charges for ALS1 rates
 - Increases the gross charges in comparison
- Weston has a lower base rate, but higher charges, which indicates larger mileages for their transport.

FY23 COMPARABLES

Average Net Charge per Transport



	BLS Rate	Insurance	Medicaid	Medicare	Other	Patient
Cooper City	\$850	\$837	\$192	\$519	\$846	\$904
Dania Beach	\$1,225.66	\$986	\$193	\$506	\$1,162	\$1,311
Deerfield Beach	\$1,000	\$703	\$183	\$477	\$972	\$444
Hallandale Beach	\$850	\$625	\$170	\$453	\$830	\$387
Lauderdale Lakes	\$1,000	\$802	\$191	\$511	\$962	\$1,054
Pembroke Park	\$850	\$703	\$184	\$493	\$791	\$763
West Park	\$850	\$733	\$185	\$511	\$867	\$852
Weston	\$750	\$852	\$194	\$521	\$829	\$920

- Net charge per transport is a better comparable as they are more indicative of the cost of the transport after write-offs and adjustments are made to each billing.
- Medicaid and Medicare rates are set based on their allowable rate
- Insurance rates paid out are based on the individual plan.
 - These rates are higher averages for each agency
 - Hallandale Beach has noticeably lower averages in comparison.
- The Patient average amount is also the lowest of the comparables, indicating that more amounts are written off or adjusted before the net amounts are charged.
- Being able to affect these two types of payor mix net charges would affect revenues.

FY23 COMPARABLES

Average Paid per Transport



	Insurance	Medicaid	Medicare	Other	Patient
Cooper City	\$614	\$177	\$483	\$654	\$74
Dania Beach	\$562	\$182	\$468	\$597	\$27
Deerfield Beach	\$554	\$178	\$464	\$638	\$8
Hallandale Beach	\$463	\$164	\$430	\$544	\$14
Lauderdale Lakes	\$465	\$187	\$482	\$555	\$9
Pembroke Park	\$485	\$179	\$463	\$586	\$8
West Park	\$509	\$181	\$484	\$593	\$13
Weston	\$636	\$174	\$489	\$646	\$84

- All the agencies have a very low patient pay amount per transport.
- The process for sending accounts to collections could differ between agencies
- The payor mix that can affect revenues is the insurance rate being paid.
- Hallandale Beach and Lauderdale Lakes have lower amounts paid per transport than compared to surrounding cities.
- Utilizing a company to review the insurance amounts that are charged by MSA can help increase the average paid per transport to help affect revenue collection rates.
- Since the percentages of transport that are attributed to Medicare and Medicaid patients (at a set rate) for Hallandale Beach is more than 55%, the other payor mixes would help factor into revenue collection rates.
- Therefore, affecting policies related to insurance and self-pays would help affect revenues.

PROJECTED EMS EXPENDITURES



	FY 25 Proposed	FY 26 Estimated	FY 27 Estimated	FY 28 Estimated	FY 29 Estimated	FY 30 Estimated
Personnel Services	16,792,740	16,947,233	17,103,148	17,260,497	17,419,293	17,579,551
Operating Expenses	1,066,322	1,088,395	1,110,925	1,133,921	1,157,393	1,181,351
Capital Outlay	2,266,572	1,340,809	3,708,792	2,193,965	6,068,696	3,589,986
Fund Balance	334,709	1,554,494	(510,522)	1,316,443	(2,236,745)	573,149
Total	20,460,343	20,930,931	21,412,342	21,904,826	22,408,637	22,924,036

- All projections and assumptions were made that 73 FTEs were utilized for the EMS services through the BSO.
- No detailed breakdown of the expenditure line items was provided for deeper analysis since the study was focused on EMS revenue analysis.
- Capital Outlay purchases were undetermined but would be needed periodically depending on the lifespan of the equipment currently being used.
- Personnel Services were estimated to increase 0.92% annually.
- Operating Expenses were estimated to increase 2.07% year over year.
- The Transfers/Reserves line item functions as the fund balance and will indicate whether or not an expected shortfall or surplus may exist.



MILLAGE RATE

	FY 2024 Budget
Est. Taxable Value	8,442,158,687
Current Mill Levy Rate	1.032
Estimated Mill Levy	8,712,308
Value of 1 Mill	8,442,159

The millage rate calculation allows all property owners (who also receive the ability to waive their transport fee) to pay towards the EMS and Fire Protection and Rescue related services.

RECOMMENDATIONS



- **1. Review ALS1 Claims:**
 - Conduct a thorough examination of patient care narratives for ALS1 claims that were adjusted. This will help provide better justification for billing codes and increase acceptance rates with insurance payers. Additionally, training sessions for EMS personnel on accurate and detailed documentation can be beneficial.
- **2. Standardize Patient Care Narratives:**
 - Develop and implement a standardized policy for patient care narratives. This ensures detailed accounts that justify billing codes, which can improve the acceptance rate with insurance payers. Regular audits and feedback sessions can help maintain the quality of documentation.
- **3. Revise Transport Fee Waiver Policy:**
 - Review the current Transport Fee Waiver policy, which attributed to 25.95% of self-pay adjustments for FY 23. Consider alternative payment methods such as payment plans or discounted rates to provide options for those without insurance. Implementing a sliding scale based on income could also be considered.

RECOMMENDATIONS



- 4. **Contracting for Insurance Collections:**
 - Evaluate the cost-benefit of contracting with a company to increase private insurance allowable amounts. This could potentially improve revenue collections from insurance claims. Additionally, exploring partnerships with multiple collection agencies might yield better results.
- 5. **Implement Millage Rate or Special Taxing Unit:**
 - Explore the possibility of implementing a millage rate or special Emergency Medical Services taxing unit to supplement Fire Rescue and EMS services. This could provide additional funding to support these services. Engaging with the community through public forums to explain the benefits and garner support could be crucial.
- 6. **Internal Analysis and Review:**
 - Conduct further internal analysis to determine the cost-benefit of seeking additional information to increase revenue collections. This includes reviewing the timeline for sending accounts to collections and considering whether extending the timeline could reduce the number of accounts sent to collections. Additionally, implementing a robust follow-up system for unpaid bills before sending them to collections could improve recovery rates.

IMPLEMENTATION



1. Review ALS1 Claims:

- Conduct training sessions for EMS personnel on accurate and detailed documentation.
- Examine patient care narratives for ALS1 claims that were adjusted.
- Provide feedback to EMS personnel on documentation quality.
- Implement regular audits to ensure compliance with documentation standards.

2. Standardize Patient Care Narratives:

- Develop a standardized policy for patient care narratives.
- Train EMS personnel on the new standardized policy.
- Conduct regular audits and feedback sessions to maintain documentation quality.
- Implement a system for continuous improvement based on audit results.

IMPLEMENTATION



3. **Revise Transport Fee Waiver Policy:**

- Review the current Transport Fee Waiver policy.
- Develop alternative payment methods such as payment plans or discounted rates.
- Implement a sliding scale based on income for fee waivers.
- Communicate the revised policy to EMS personnel and the public.

4. **Contracting for Insurance Collections:**

- Evaluate the cost-benefit of contracting with a company for insurance collections.
- Explore partnerships with multiple collection agencies.
- Negotiate contracts with selected collection agencies.
- Monitor the performance of contracted agencies and adjust as needed.

IMPLEMENTATION



5. Implement Millage Rate or Special Taxing Unit:

- Explore the feasibility of implementing a millage rate or special taxing unit.
- Engage with the community through public forums to explain the benefits.
- Garner support from the community and local government.
- Implement the millage rate or special taxing unit based on community feedback.

6. Internal Analysis and Review:

- Conduct further internal analysis to determine the cost-benefit of seeking additional information.
- Review the timeline for sending accounts to collections.
- Implement a robust follow-up system for unpaid bills before sending them to collections.
- Monitor the effectiveness of the new follow-up system and adjust as needed.



QUESTIONS?