



EMERGENCY MEDICAL SERVICES (EMS) REVENUE STUDY

Hallandale Beach, Florida

January 8, 2025



BACKGROUND



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

- 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:

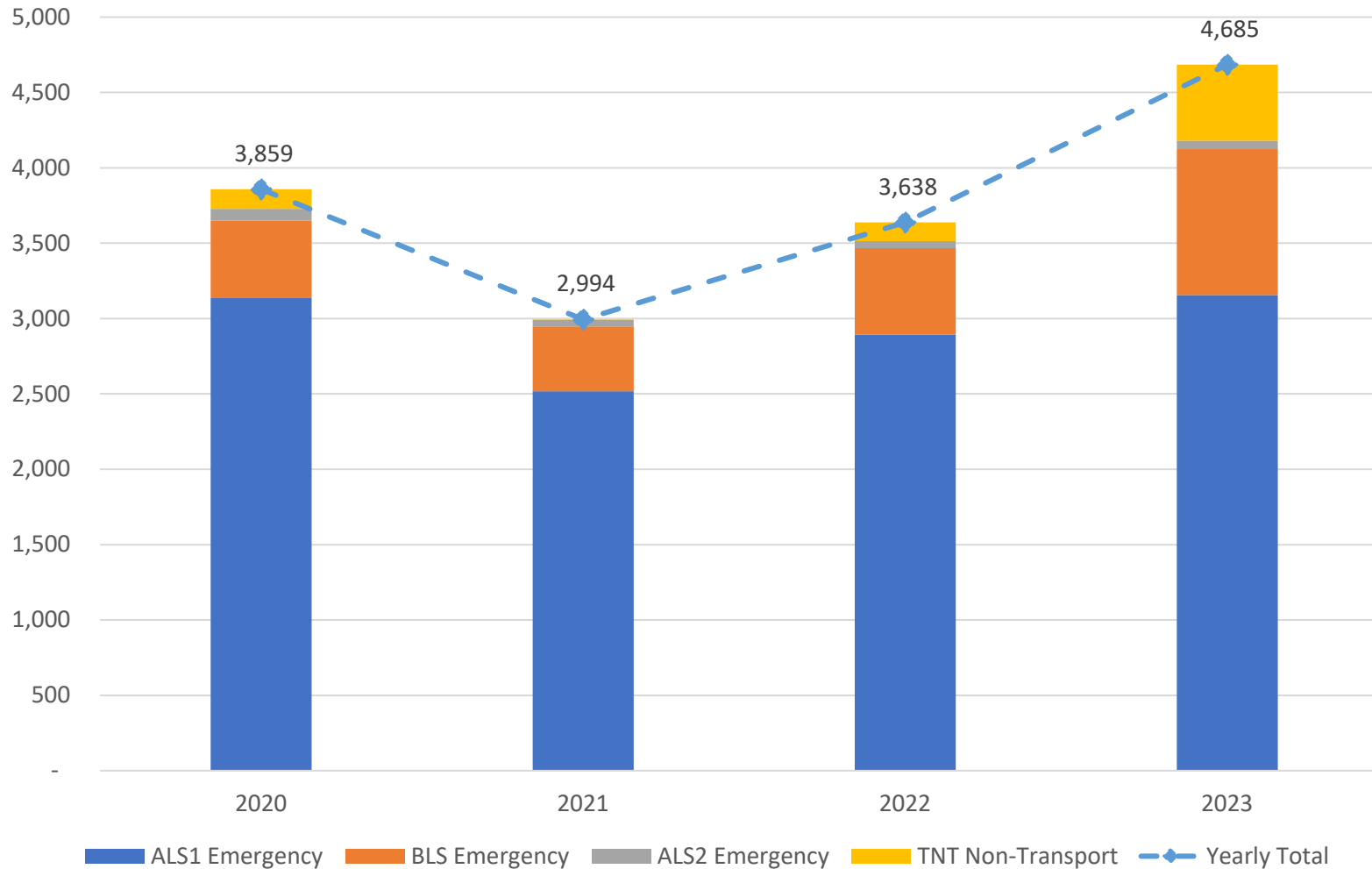
- Review payor mix
- Policy and guidance documents
- Collection and bad debt rates
- Agreement with private billing contractor
- Benchmarking against comparable cities/municipalities
- Fire Assessment Methodology Report

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

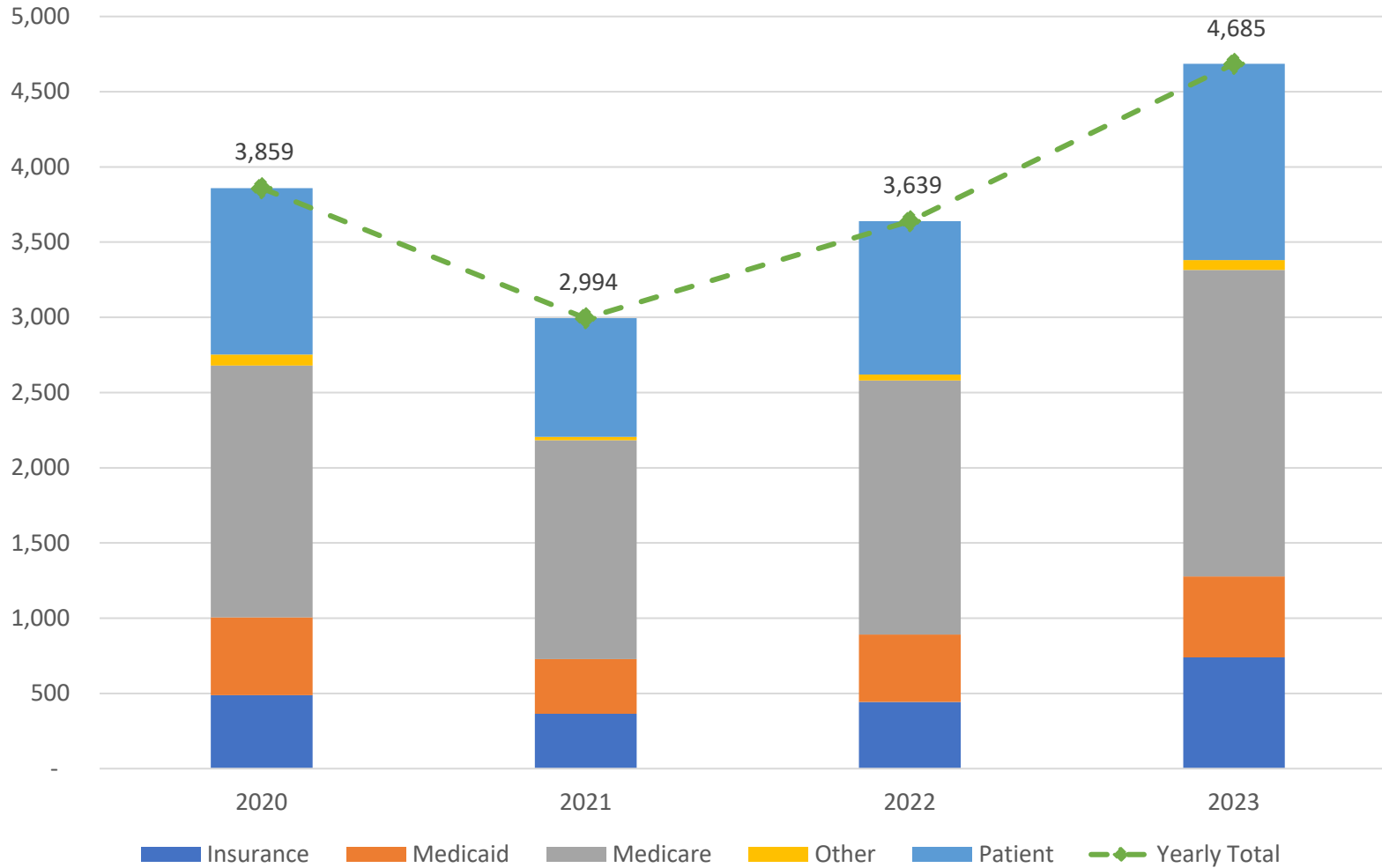
Level of Service, FY 20 - 23



- Majority of Billable Incidents are Advanced Life Support (ALS) Emergencies
 - Approximately 3,000 incidents per year
- Basic Life Support (BLS) Emergencies
 - Less than 1,000 incidents per year

BILLABLE INCIDENTS

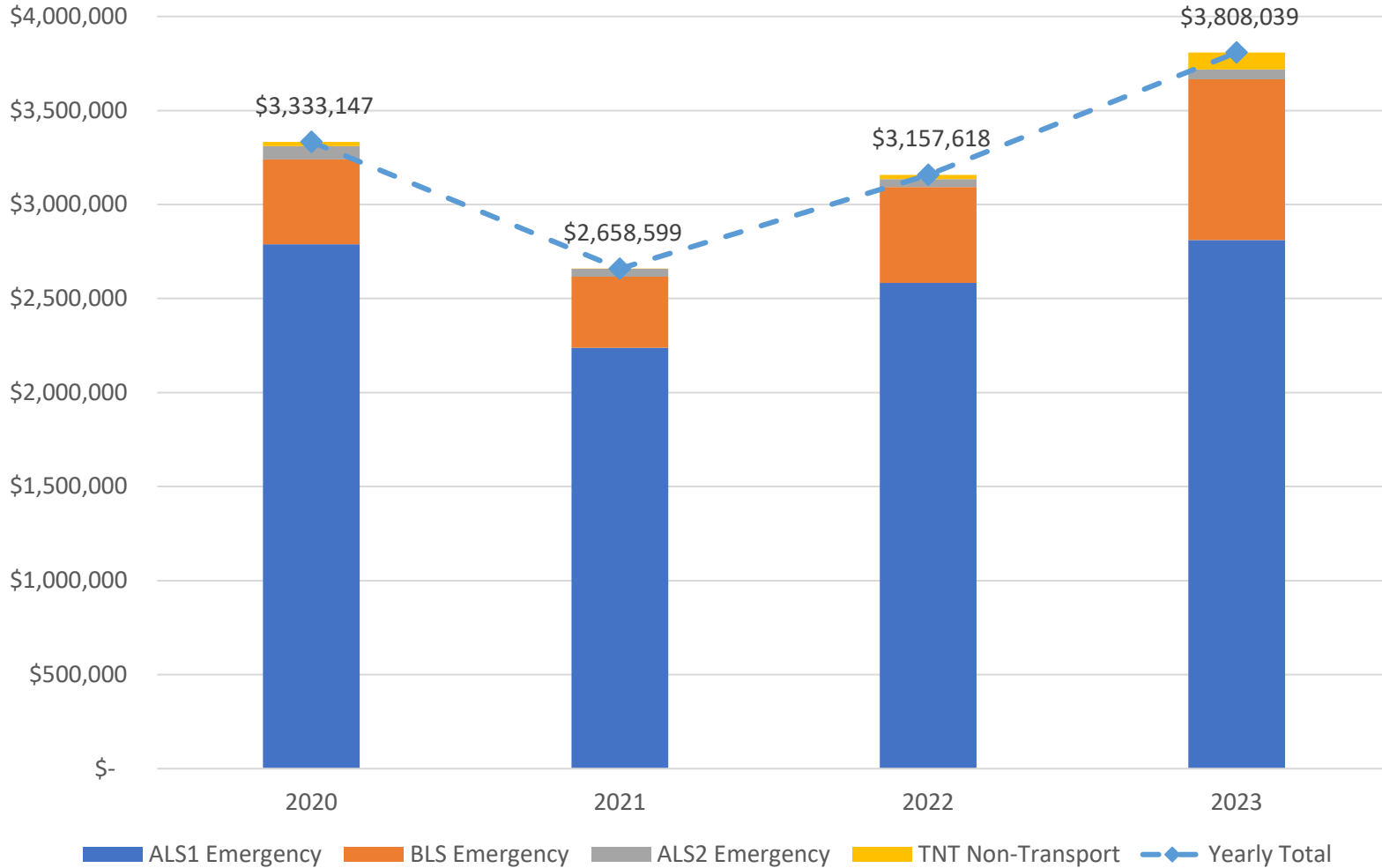
Financial Class, FY 20 - 23



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

GROSS CHARGES

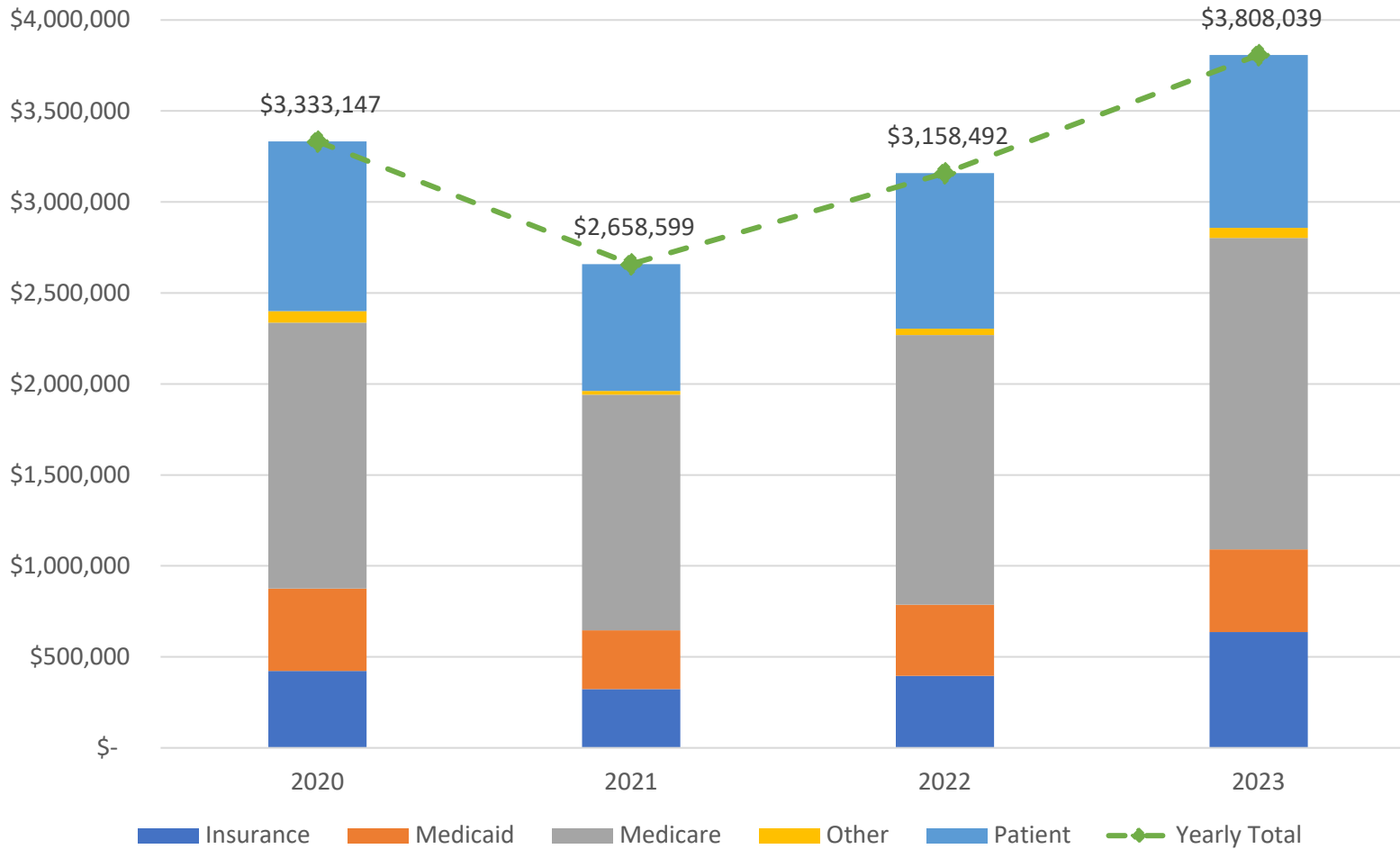
Level of Service, FY 20 - 23



- Of the total period being analyzed, Advanced Life Saving (ALS) Emergencies equated to 80.42% of the total gross amounts invoiced.
 - Averages \$2.6M

GROSS CHARGES

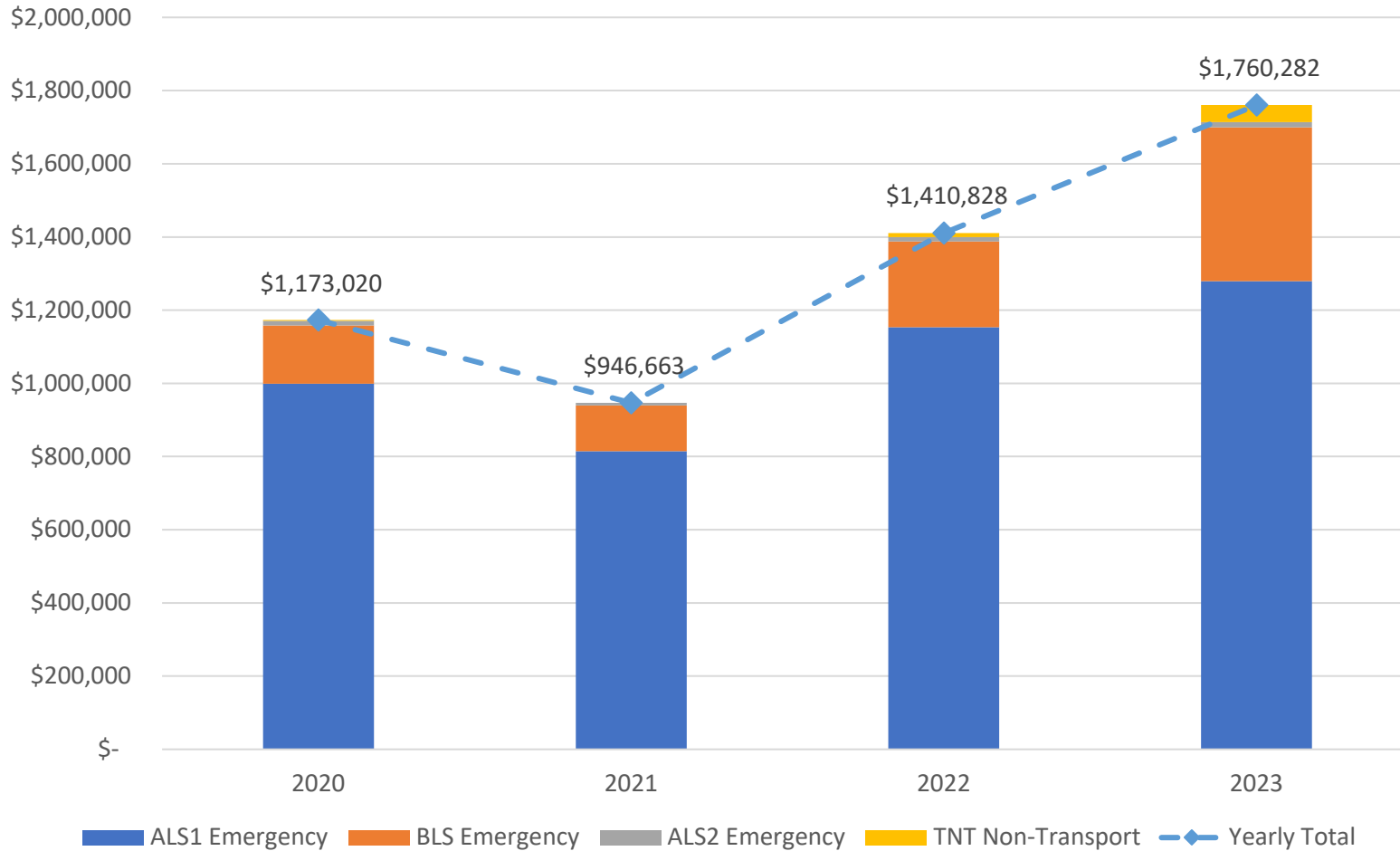
Financial Class, FY 20 - 23



- Medicare charges consist of 45.92% of the total period being analyzed.
 - \$1.4M average
- Patient self-pays are 26.52% of the charges for the period, indicating either insurances not covering the transports or patients not having insurance.
 - \$950,602 total for FY 20-23

ADJUSTMENTS

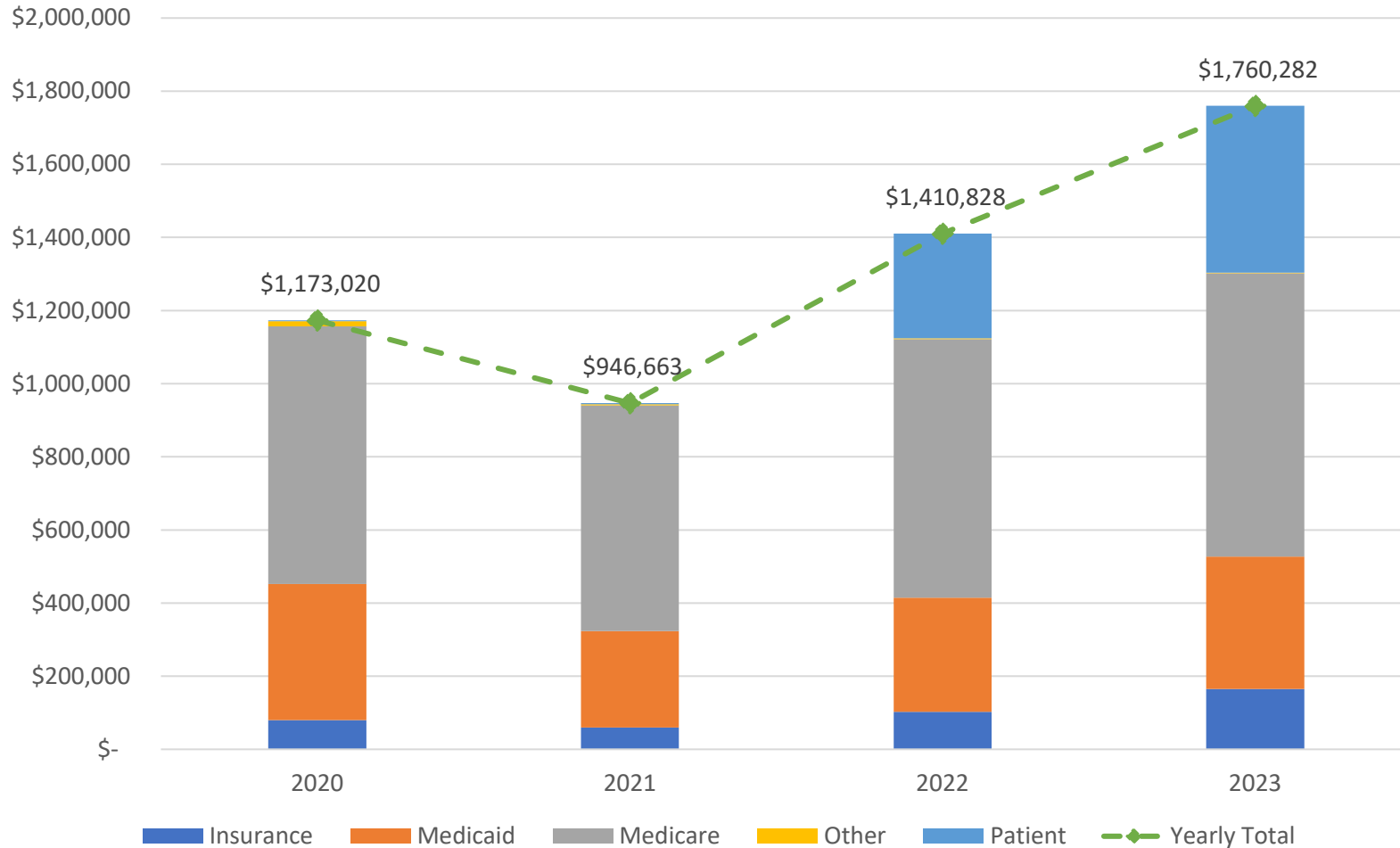
Level of Service, FY 20 - 23



- 80.25% of the total number of adjustments were made to ALS1 Emergencies over the 4-year period of data provided.
 - \$1.1M average
- Factors affecting adjustments:
 - International Classification of Diseases (ICD) - 10th Revision Billing Codes
 - Charges accepted by insurances
 - Narratives not matching billing codes used

ADJUSTMENTS

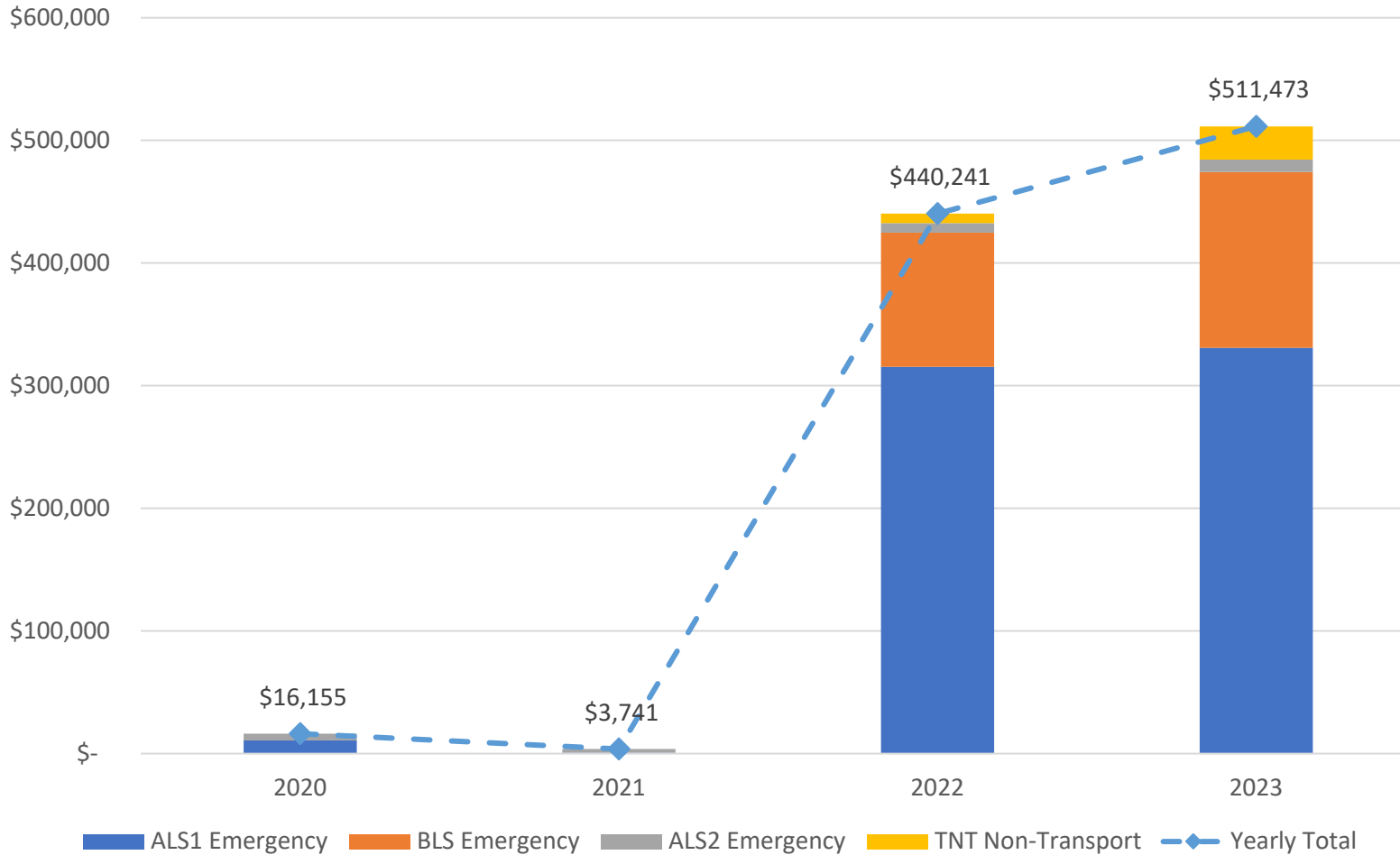
Financial Class, FY 20 - 23



- 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

WRITE OFFS

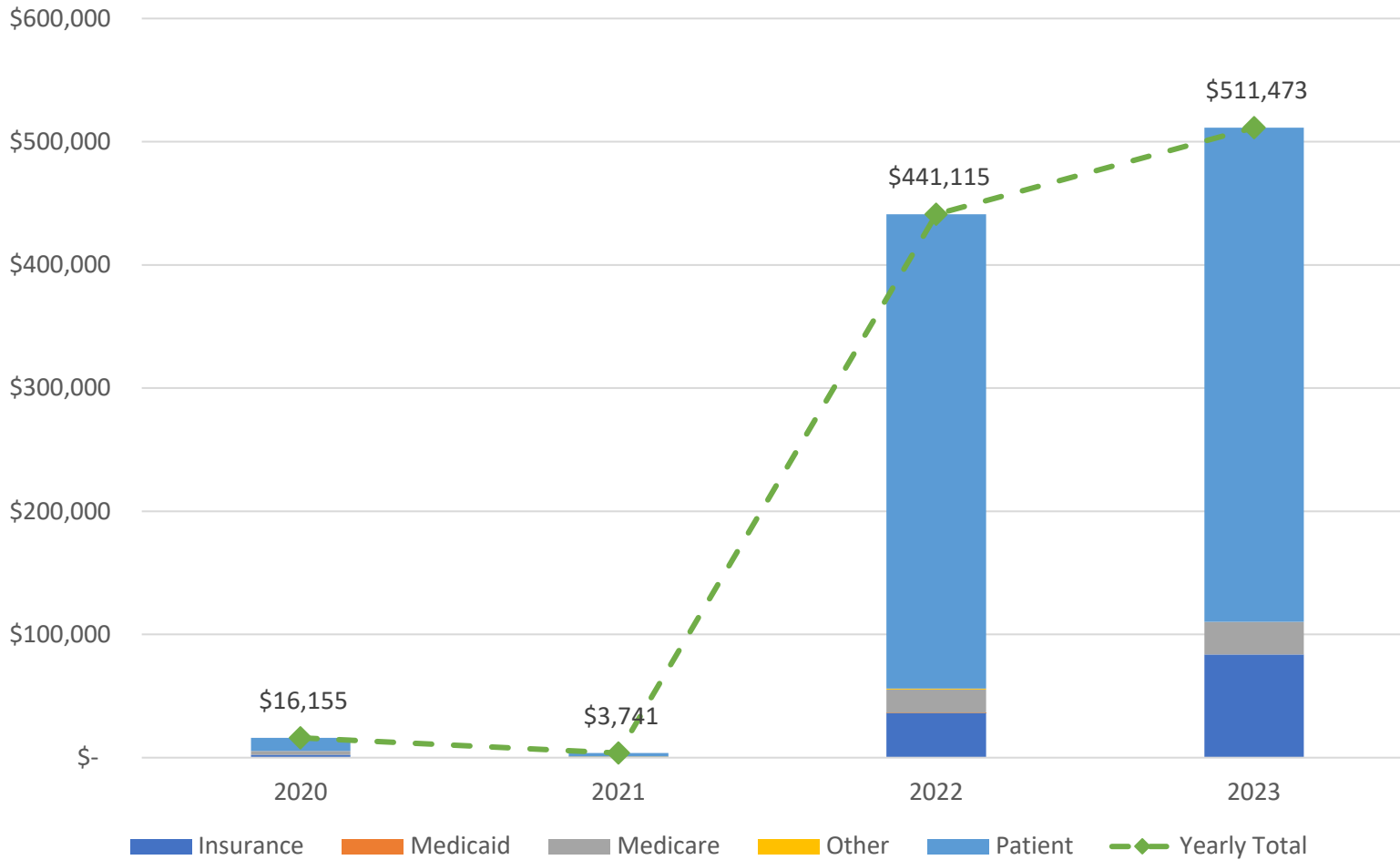
Level of Service, FY 20 - 23



- 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

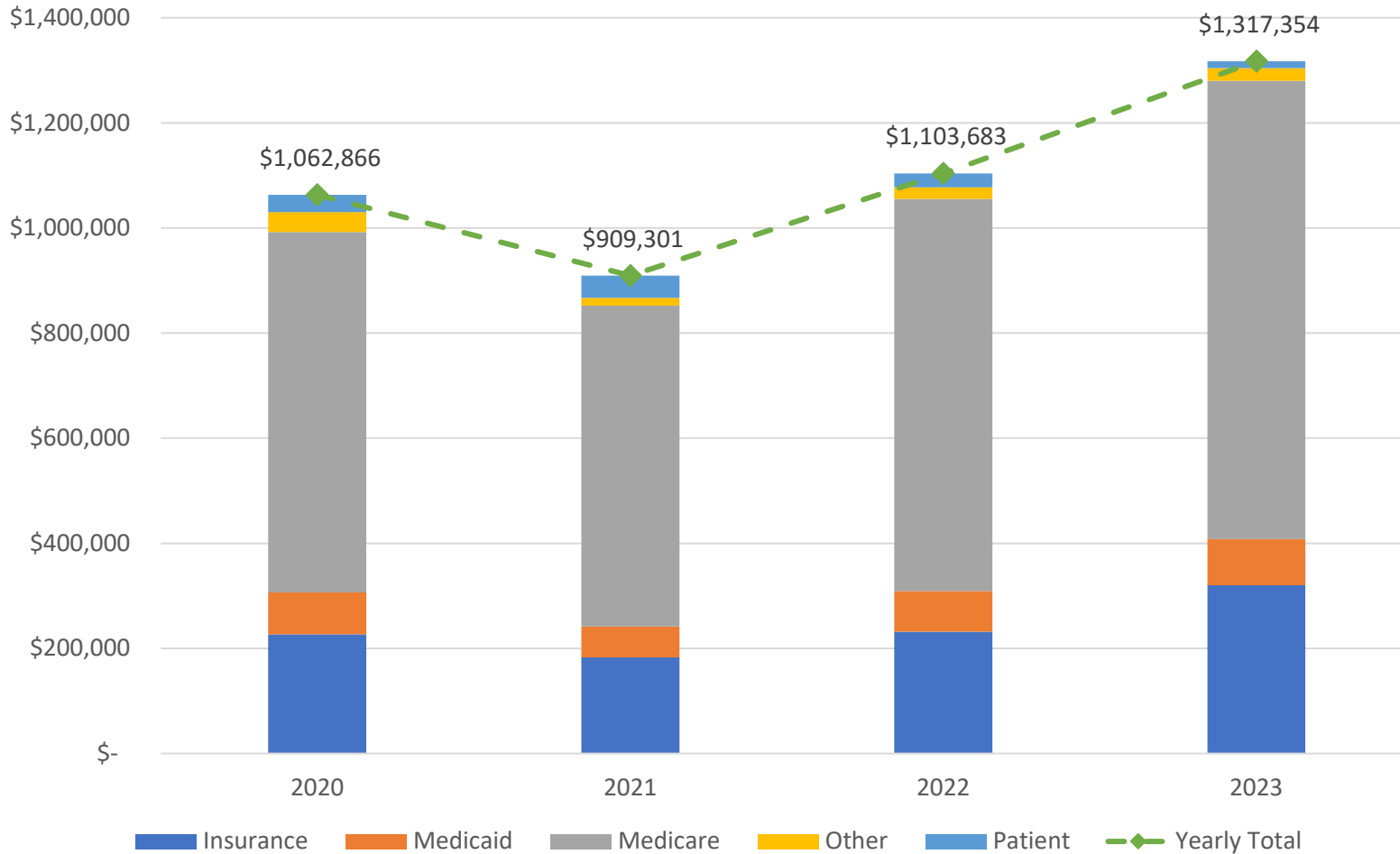
Financial Class, FY 20 - 23



- FY 20 and 21 affected by COVID payments
- 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

COLLECTIONS

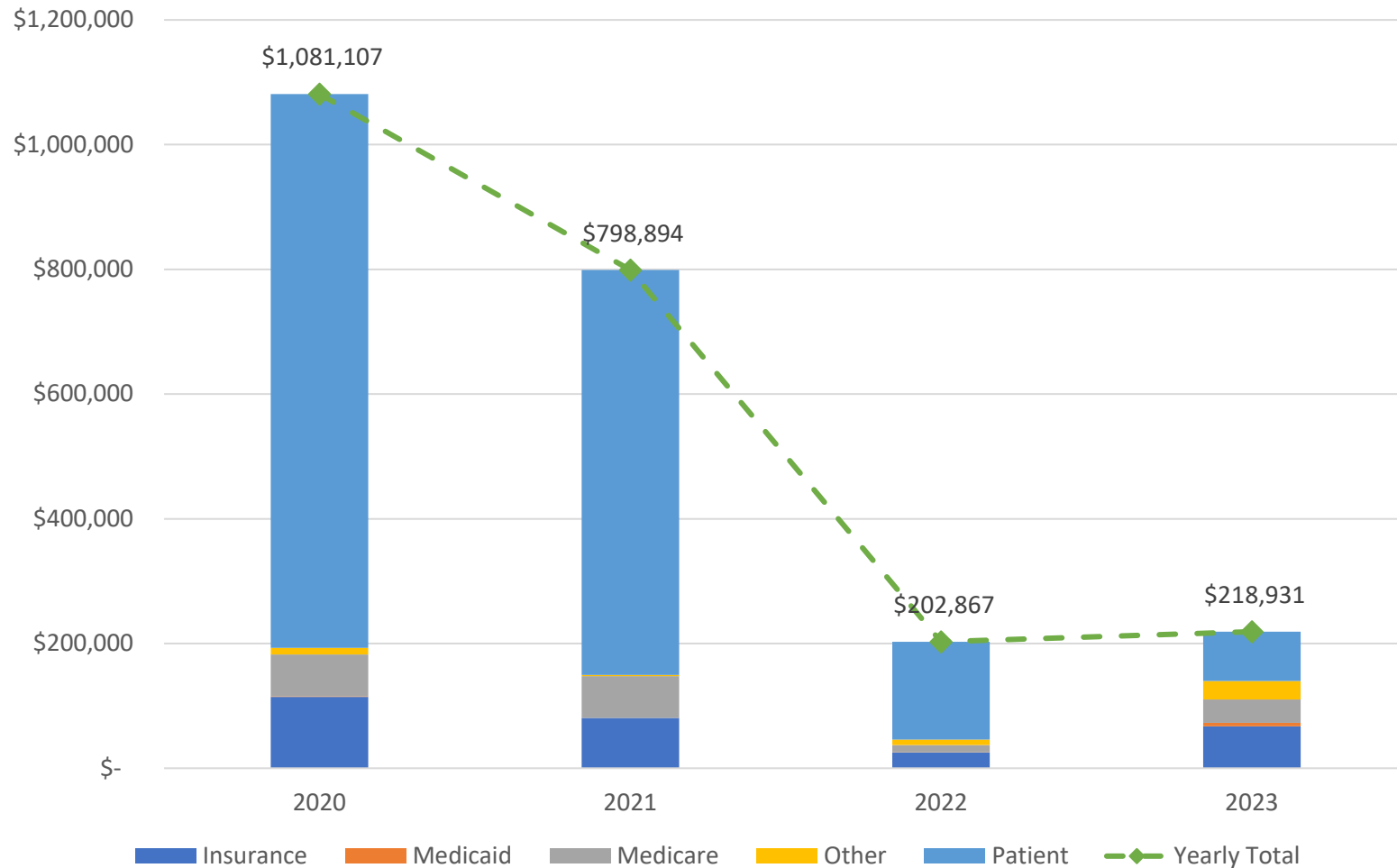
Financial Class, FY 20 - 23



- Medicare accounts for 66.21% in FY 23
 - \$872,261
- Medicaid accounts for 6.64% in FY 23
 - \$87,408
- Insurance is 21.90% in FY 23.
 - \$320,408
 - 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

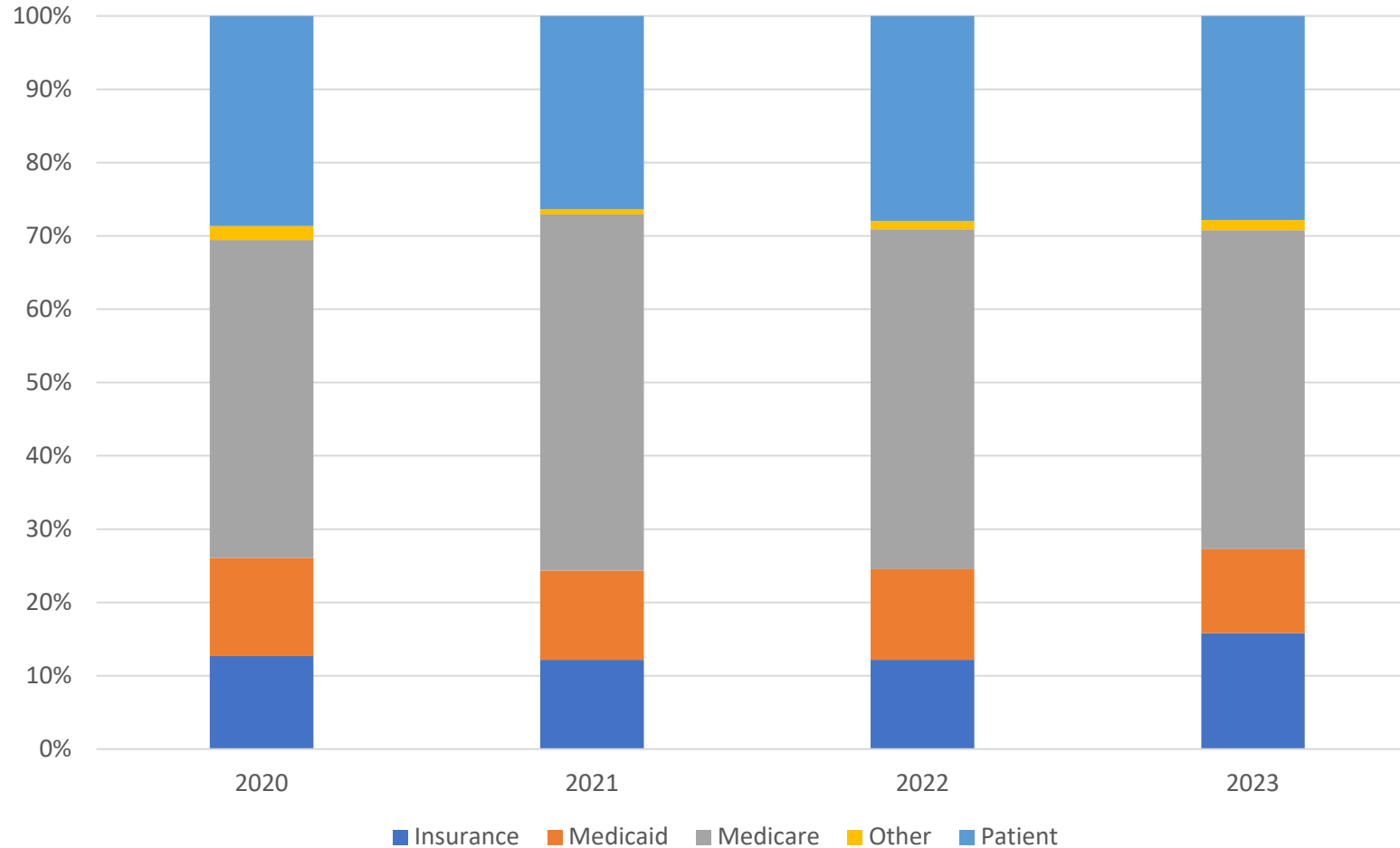
Financial Class, FY 20 - 23



- 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)

TRANSPORT MIX

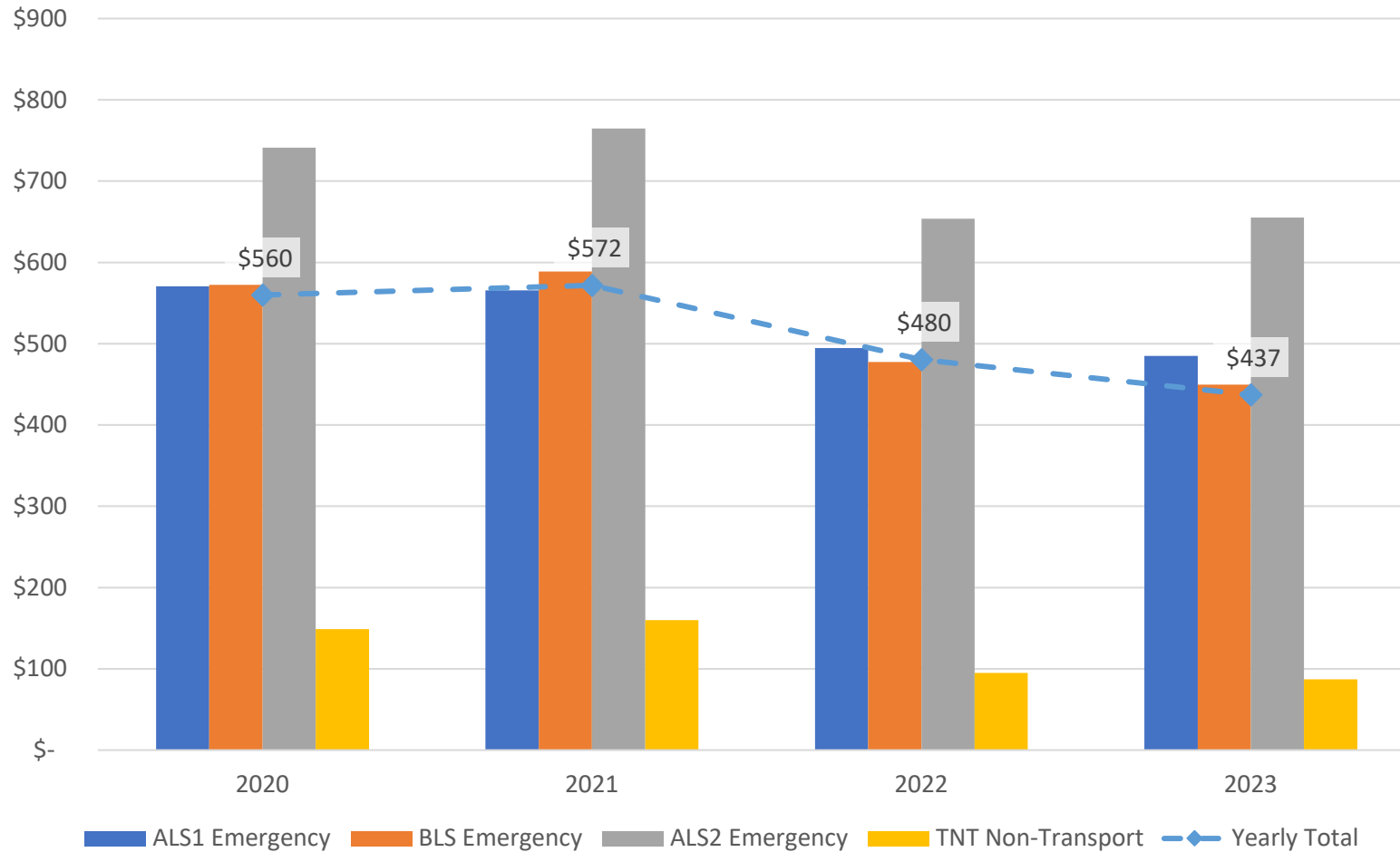
Financial Class, FY 20 - 23



- Medicare patients comprised 45.47% of the total transport mix (all years)
 - 2,000 Transports
- Medicaid patients accounted for 12.34%. (all years)
 - 500 Transports
- Patients covered by insurance were 13.20%
 - 1,000 Transports
- 78.06% of the transports in 2020 were ALS
 - 3,000 Transports
- 16.03% were BLS in 2020
 - 500 Transports

AVERAGE NET CHARGE

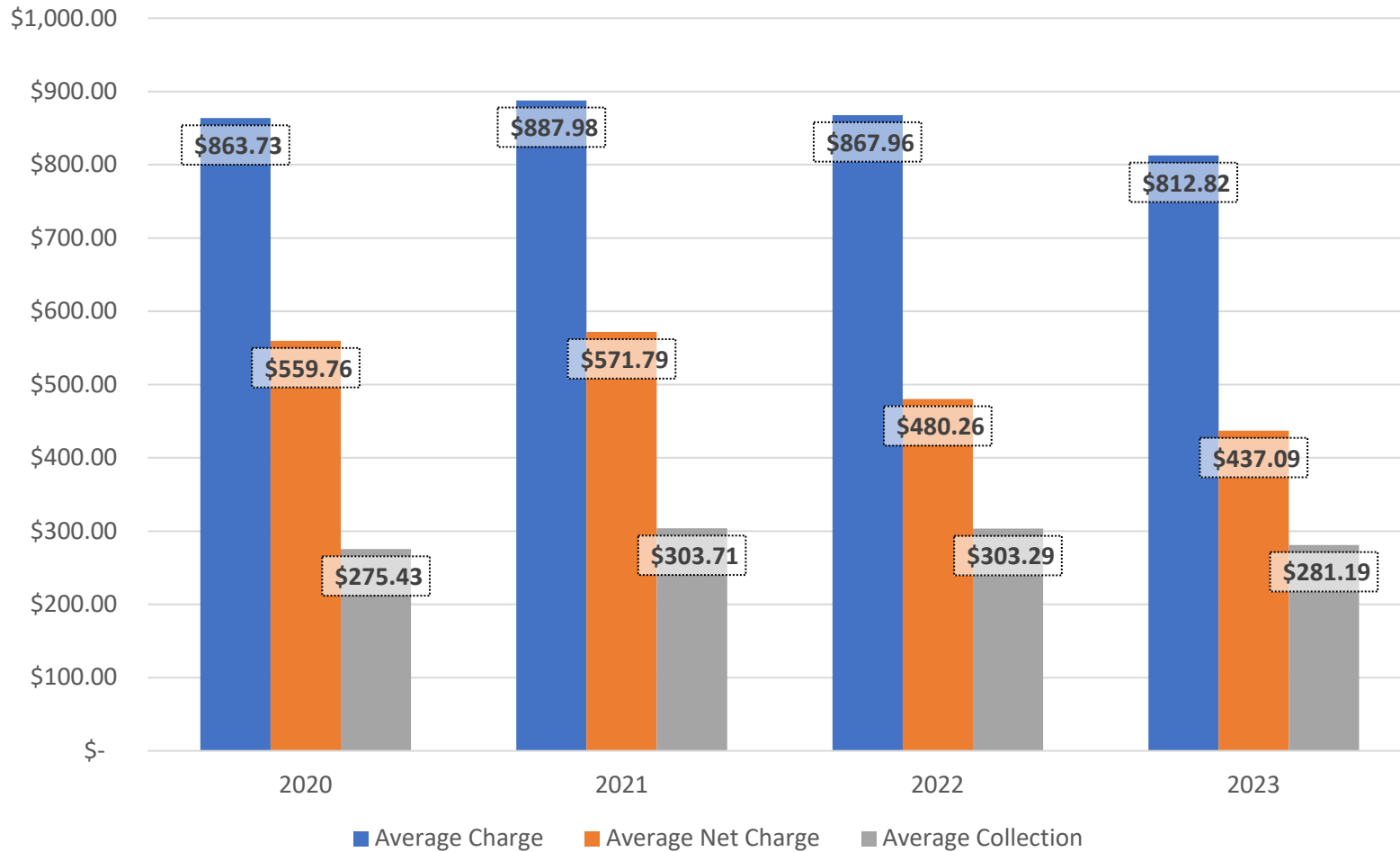
Level of Service, FY 20 - 23



- 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) for BSO personnel 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.



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

REVENUES



	FY 26 Projected	FY 27 Projected	FY 28 Projected	FY 29 Projected	FY 30 Projected
Fire Assessment	12,606,653	12,682,293	12,758,386	12,834,937	12,911,946
PEMT/MCO	353,177	361,618	370,261	379,110	388,171
Ambulance Fees (Collections)	1,120,321	1,131,524	1,142,839	1,154,268	1,165,810
Chapter 175 Funds	250,813	240,780	231,149	221,903	213,027
Supplemental Comp	48,587	51,259	54,078	57,052	60,190
Fire Inspection/ Plans Review	589,975	625,963	664,147	704,660	747,644
Hazmat Permit Fee	28,807	28,951	29,096	29,241	29,387
Service Charge FOS	45,781	46,239	46,702	47,169	47,640
Total Revenues	15,044,114	15,168,627	15,296,658	15,428,340	15,563,815

EXPENDITURES



	FY 26 Projected	FY 27 Projected	FY 28 Projected	FY 29 Projected	FY 30 Projected
Personnel Services	16,855,363	17,878,309	18,956,445	20,092,918	21,291,047
BSO Operating	1,018,750	1,038,208	1,058,038	1,078,246	1,098,841
COHB Operating	77,250	79,568	81,955	84,413	86,946
BSO Transfer/Reserve	321,710	327,855	334,117	340,499	347,002
COHB Legacy Pension	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
COHB Debt Service	611,563	610,563	608,563	610,163	610,563
Total Net Recurring	<i>23,884,636</i>	<i>24,934,503</i>	<i>26,039,118</i>	<i>27,206,239</i>	<i>28,434,399</i>
BSO Capital	258,167	102,037	757,714	788,556	116,442
Total Contractual Services	24,142,803	25,036,540	26,796,832	27,994,795	28,550,841

TOTAL COSTS



	FY 26 Projected	FY 27 Projected	FY 28 Projected	FY 29 Projected	FY 30 Projected
Total Revenues	15,044,114	15,168,627	15,296,658	15,428,340	15,563,815
Total Contractual Services	24,142,803	25,036,540	26,796,832	27,994,795	28,550,841
Difference between Revenues and Expenditures	(9,098,689)	(9,867,913)	(11,500,174)	(12,566,455)	(12,987,026)
% of Funds Needed for Services	37.7%	39.4%	42.9%	44.9%	45.5%

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).

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.

RECOMMENDATIONS



1. Review ALS1 Claims (BSO):

- 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 (BSO):

- 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.

RECOMMENDATIONS



3. **Revise Transport Fee Waiver Policy (City/BSO):**

- 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 (City/BSO):**

- 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.

RECOMMENDATIONS

5. Review a Millage Rate or Special Taxing Unit (City/BSO):

- 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 (City/BSO):

- 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?