CITY OF MARSHFIELD

MEETING NOTICE

Joint meeting of the Marshfield Fire & Police Commission and the Marshfield Common Council
Tuesday, August 2, 2022
Marshfield City Hall, Council Chambers
6:00 p.m. (or immediately after Finance, Budget & Personnel Committee)

AGENDA

Call to order
- Mayor (for Marshfield Common Council)
- Marshfield Fire & Police Commission President (for Fire & Police Commission)

Welcome/introductions

Pledge of Allegiance

Public comment

Purpose of meeting – Steve Barg, City Administrator

Presentation – background on EMS financial situation (Finance and Fire/EMS staff)

Identify/highlight possible options to address concerns (Finance and Fire/EMS staff)

Questions/discussion (Mayor, Council members, Fire & Police Commission members)

Possible next steps

Adjourn
- Marshfield Fire & Police Commission President (for Fire & Police Commission)
- Mayor (for Marshfield Common Council)

Posted this day July 28, 2022 at 4:30 p.m. by Jessica Schiferl, City Clerk

NOTICE

It is possible that members of and possibly a quorum of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.

Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, contact Jessica Schiferll, City Clerk, at 207 West 6th Street or by calling (715) 486-2023.

CITY OF MARSHFIELD FIRE & RESCUE

MEMORANDUM

Peter J. Fletty, Fire Chief

TO: Members of the Police and Fire Commission and the Common Council

FROM: Pete Fletty, Fire Chief

DATE: July 26, 2022

SUBJECT: EMS Enterprise Fund

BACKGROUND

For many years, the Emergency Medical Service (EMS) account has been run as an Enterprise Fund. This fund has been used to pay for a varying number of employee salaries and benefits, ambulances/vehicles, EMS equipment, supplies, building costs, a portion of building repairs, maintenance, etc. This fund is supported mainly by user fees, contracts with outside agencies and townships/villages, and annual State-funded grants.

The benefits of operating the EMS account as an Enterprise Fund are many, but the fund specifically helps the city and fire department keep roughly 1.5+ million dollars off the tax roll annually by generating revenue sourced from user fees, contracts, and grants. The revenue generated from the EMS service pays for a varying number of employee salaries and benefits, annually. These employees are cross-trained in fire and EMS which helps the fire department provide staffing on the fire ground.

Prior to 2020, the Enterprise Fund carried 8 2/3 firefighter salaries and benefits. When the Marshfield Fire and Rescue Department entered into a contract to perform interfacility transfers and intercepts with Marshfield Medical Center (MMC) beginning June 30, 2017, the Marshfield Fire and Rescue Department added three (3) staff to help cover the additional workload. All three personnel were hired in 2020 and were placed under the Enterprise Fund budget, bringing the total personnel salary and benefits covered by the fund up to 11 2/3. The premise behind this thought process were as follows:

- Adding the three (3) staff to the Enterprise Fund added nothing to the tax roll.
    - It was assumed the additional revenue from the intercept/interfacility contract with MMC would cover the three (3) additional personnel salary and benefits.
    - It was assumed the additional revenue from the intercept/interfacility contract with MMC would cover additional supplies, equipment, and resources needed to provide this service.
- The three (3) additional staff would be cross-trained and would provide supplementary personnel on the fire ground when fires occurred.
- Adding three (3) additional staff (1 Firefighter/Paramedic on each shift) would reduce overtime by adding an extra layer to the minimum staffing level of eight (8) personnel.

During a meeting to discuss MMC contracts with Jennifer Selenske, Finance Director, and Jordan Munger (Accounting Manager) on May 31, 2022, Jennifer stated that from a cash perspective, the Enterprise Fund was roughly $615,000 “in the red.” Although from a cash perspective the fund is showing a negative balance, we have been informed that the net position of the account has a positive, but shrinking balance. This news took both Deputy Chief Bakos and I by surprise. Subsequent meetings with the City Administrator, PFC President, and the

Finance Department were scheduled to try to figure out the issues, both past and present, and solutions to the issue at hand.

ANALYSIS

After several meetings between Finance Department staff, specifically Jennifer Selenske and Jordan Munger, and Fire Department staff (Deputy Chief of EMS, Steve Bakos and I), we were able to identify several factors that led us to this point.

ISSUE #1 - Medicare/Medicaid Reimbursement rates have not increased significantly

As you are probably all aware, Medicare and Medicaid reimburse at a rate much lower than what is actually billed and what it truly costs to run an ambulance service. This is something that is completely out of our control and is a major factor in a lot of ambulance services not being able to make ends meet by simply charging patients for services. Approximately 70% of our calls are Medicare/Medicaid patients with the remaining 30% covered by private insurance or are self-pay patients.

Trends currently project that, including Medicare/Medicaid write-offs, we collect approximately half (50%) of what is billed. Past financial practices placed the write-offs closer to 40%-45%, hence we are collecting 5%-10% less than what was previously anticipated. This is moreover an illustration that we cannot simply increase what we charge in order to make up the difference. Unless Medicare/Medicaid increases their reimbursement, we will likely see an increasing discount rate over time and only affect 30% of patients which have other insurance types.

SOLUTION – ISSUE #1

Much of this is out of our control at this point. We cannot control the reimbursement rates of Medicare/Medicaid. We do update rates annually so they stay in line with other ambulance services, but other services encounter the same circumstances (raising rates doesn't impact the majority of patients served). At best we can contact our State representatives and or WI Department of Health Services and inform them of our hardships with what Medicare/Medicaid pays for its services.

ISSUE #2 - Bad Debt Expense not adequately budgeted/estimated for over the last (5) years

We currently contract with LifeQuest for billing of ambulance calls, which began in 2017. Prior to 2017, the City of Marshfield employed 1.5 FTE positions to bill for medical services. When medical bills go unpaid, and as those accounts age, they reach different "phases" of collection rates. Typically, the longer an account goes unpaid, the less we can expect to collect from those patients. After six (6) years, State Statute prohibits us from pursuing collections on unpaid accounts altogether. Part of the issue we face is we are now in year 5 of our contract with LifeQuest for billing. Per State Statute, next year (2023) we will start seeing a much larger dollar amount of write-offs due to the fact the accounts will have aged out of the collection system (6 years).

The current Finance Department staff identified this issue and recognized it as one of the main reasons we are in this position. The bad debts should have been accounted for over time. Write-offs had stayed fairly consistent at $35,000-$40,000 per year. The estimated write-off amount is unknown for certain at this time, but the EMS Enterprise Fund could be facing bad debt of $100,000 or more per year beginning in 2023. Having not booked these amounts over time, the Finance Department will likely recommend an adjustment for the prior 5 years which will be somewhat significant to the EMS fund.

SOLUTION – ISSUE #2

We cannot control those who do not pay their medical bills. We can add the accounts to the tax refund intercept program to hopefully collect on some outstanding balances, but do not see this as the stopgap solution. Best we can do at this point to resolve this issue is create an allowance for doubtful accounts and closely monitor the recovery rates/later collection phase receivables for reasonableness. Having a regularly maintained allowance for doubtful accounts will guard against sizable adjustments like this in the future.

ISSUE #3 – Communication

Looking back at spending out of the EMS Enterprise Fund, our research shows that in almost every year we have data for, the Fire Department has spent less than our approved budget amount from year-to-year. As far as we knew, if we were spending underneath the approved budget in most years, the EMS Enterprise Fund should be in good shape.

To explain our budget process as members of the Fire Department have understood it, we first submit for Capital Improvement Projects, just like every other department. This goes through the CIP process and items are either rejected or approved based on recommendations from Finance or the City Administrator. This then goes to Common Council for approval.

The second part of the process is to submit items and formulate a regular budget for the following year, just like every other department. It has never been past practice for members of the Fire Department to see annual accounting reports or audits of the EMS Enterprise Fund, so we were relying on the Finance Department to let us know if the budget needed to be reduced due to account balance. Similar to the CIP process, the annual budget then goes to the Common Council for approval.

In short, based on the fact that audits, year-end reports, and overall financial health of the EMS Enterprise Fund was never shared by Finance with the Fire Department, Fire Department staff assumed Finance had a grasp of the health of the fund and what could be allocated for the following budget year. Not being a part of the EMS Enterprise Fund process in the past, I can only assume there was a breakdown in communication between Finance and Fire Department Administrative staff.

In addition to the communication breakdowns listed above, based on internal financial reports prior to 2022, fire department staff were not seeing the entire list of expenses incurred. For instance, on the fire department budget sheets, we were showing a budget number for the EMS Enterprise Fund of $1,567,002 vs. $1,867,167 assigned by Finance; a difference of $300,165.

After reviewing this issue with Finance, we found that we were not seeing cost assigned to the EMS Enterprise Fund for professional services, bad debt expense, depreciation of vehicles and equipment, and other expenses. In essence, we were not seeing the full picture of expenses assigned to the EMS Enterprise Fund.

After digging into this issue further, we found that Professional Services rose from $76,496.29 in 2018 to $129,141.00 in 2019. Explanation from City Administrator Barg indicated that former Finance Director Aumann determined that the EMS Enterprise Fund was not paying enough for Professional Services, and the amount paid for Professional Services rose $52,644.71 (41%) in one year. Deputy Chief of EMS Steve Bakos became aware of this increase when it appeared in a monthly financial statement, but there was no indication or communication from Ron Aumann that the EMS Enterprise Fund couldn't absorb the increase. Furthermore, based on our understanding of how the budget should work from year-to-year, we should have expected a corresponding

decrease in the EMS Enterprise Fund budget for the following year. Our internal budget sheets show an EMS Enterprise Fund budget of $1,112,592 in 2018, $1,179,171.34 in 2019, and $1,444,589.55 in 2020.

After speaking with the current Finance Director, it sounds as though the EMS Enterprise Fund has been slowly creeping toward a negative cash balance over the past several years. It seems to me that, if adjustments could have been made to the budget, we may not be facing a negative $615,000 cash balance this suddenly. Logic tells me that, if we would have known more about the overall outlook of the EMS Enterprise Fund, we could have made appropriate cuts in the budget over the years to account for the growing negative cash balance.

SOLUTION - ISSUE #3

In our meetings, both the Finance Department and Fire Department agree that financial information needs to be shared with the Fire Department. Both departments need to work together to determine the health of the EMS Enterprise Fund and determine an accurate budget amount on a yearly basis.

ISSUE #4 – COVID Pandemic

As with almost everyone and everything, the COVID pandemic negatively impacted a lot of what we do in the medical field. We experienced an initial shortage of supplies followed by an increase in cost for those supplies (supply/demand). We experienced a sharp drop in call volume, particularly related to interfacility transfers due to the fact hospitals were generally not transferring patients from hospital to hospital at the time. This sharp drop in call volume in both 2020 and 2021 resulted in reduced revenue for the EMS Enterprise Fund. According to our LifeQuest contact person, system-wide they were seeing an even larger population of patients who were not paying their medical bills, which again led to decreased revenue and collections. Below are our average revenue numbers reported by LifeQuest – 2020 and 2021 were the years affected by the pandemic (highlighted):

YEAR	MONTHLY REVENUE AVG.	YEARLY REVENUE AVG.
2017	$82,000	$984,000
2018	$103,000	$1,236,000
2019	$108,000	$1,296,000
2020	$98,000	$1,176,000
2021	$98,000	$1,176,000
2022 (YTD)	$117,000	$1,404,000 (PROJECTED)

TABLE 1

Obviously, the pandemic played a role in the overall decrease in cash and net position of the EMS Enterprise Fund, but we don't believe it is the root cause of the issue either. As you can see, the 2022 projected revenue looks much more promising. We believe this is due to increased call volume over the past year (increase of 18% at the end of May), and the fact that LifeQuest has reported some success in collections from the pandemic years (2020 and 2021).

SOLUTION - ISSUE #4

There is no obvious solution to the COVID pandemic. We did what was within our power to procure funding assistance in the form of grants and other revenue sources during this difficult time to help us get through. The fact is that since the pandemic, prices for equipment and medical supplies may have waned a little as the country recovered, but the current economic inflation issues have made things worse than the pandemic years. For instance, the cost of an ambulance has climbed 26% in one year, meaning a $250,000 ambulance now costs $315,000. On the bright side, as we are now coming out of the pandemic, our projected revenue for 2022 has increased by 16% over 2021.

ISSUE #5 – Marshfield Medical Center Contract vs. Three (3) Additional Staff

As previously mentioned in this document, on June 30th, 2017, the Marshfield Fire and Rescue Department entered into a contract with the Marshfield Medical Center to undertake interfacility transfers and paramedic intercepts.

Interfacility transfers are EMS runs where we transfer a patient from one facility to another facility. Generally, these calls are to move a patient to a higher level of care. A typical example of this type of call would be picking up a patient from Marshfield Medical Center – Neillsville and transporting them via ambulance to Marshfield Medical Center – Marshfield. We collect revenue from these patients by directly billing the patient, similar to 911 (emergency) calls. The billing is subject to Medicare/Medicaid adjustments, self-pay patients, etc.

Paramedic intercepts are EMS runs where we are called via dispatch to assist a lower level of care ambulance in need of advanced skills. A typical example of this type of call would be meeting Owen-Withee Ambulance on Highway 13, our crew then boards their ambulance and performs necessary advanced medical skills while in route to Marshfield Medical Center. The revenue collected from these patients is set by the contract between the Marshfield Medical Center and the City of Marshfield. When we signed the contract, we collect $450 per intercept from the Marshfield Medical Center. This revenue is guaranteed and is not subject to Medicare/Medicaid adjustments, unlike the interfacility transfers. The intercept contract also allows for a small yearly increase in revenue to cover yearly inflation cost.

The charts below reflect the revenue collected from paramedic intercepts and interfacility transfers since 2018.

PARAMEDIC INTERCEPTS				INTERFACILITY TRANSFERS		
YEAR	NUMBER OF CALLS	REVENUE COLLECTED		YEAR	NUMBER OF CALLS	REVENUE COLLECTED
2018	261	$113,750		2018	336	$255,136.79
2019	267	$116,450		2019	365	$233,180.50
2020	278	$120,400		2020	277	$134,390.68
2021	245	$108,200		2021	240	$163,916.32
2022 (YTD)	103	$45,450		2022 (YTD)	40	$26,174.90
TOTALS	1,154	$504,250		TOTALS	1258	$812,799.19

TABLE 2

Due to the increased call volume and subsequent increase in revenue, several City employees, as well as the Police and Fire Commission, explored the idea of adding three (3) additional staff to the EMS Enterprise Fund. The idea behind this concept was the additional Firefighter/Paramedic on each shift could help handle the increased call volume we were experiencing prior to the pandemic. The thought was the increased revenue from performing interfacility transfers and paramedic intercepts would cover the salaries and benefits of the three (3) additional staff which would put each shift at a maximum of 12 personnel/shift. In addition, the three additional staff would be cross-trained like the rest of the staff to get the department a little closer to National Fire Protection Association (NFPA) 1710: Standards for Fireground Staffing Levels for Career Fire Departments (see below and attached document from NFPA).

FIRE TYPE	MINIMUM NUMBER OF FIREFIGHTERS REQUIRED UNDER NFPA 1710
2000 SQ. FT. SINGLE-FAMILY STRUCTURE	14 (15 IF AERIAL DEVICE IS USED)
OPEN-AIR STRIP MALL	27 (28 IF AERIAL DEVICE IS USED)
GARDEN-STYLE APARTMENT	27 (28 IF AERIAL DEVICE IS USED)
HIGH-RISE	42 (43 IF STRUCTURE HAS FIRE PUMP)

TABLE 3

After much debate and evaluation, former Finance Director Ron Aumann believed this model would work. Although there was some skepticism by the Police and Fire Commission, it passed through the Commission and was moved to Finance, Budget, and Personnel Committee, and then the Common Council (there was also some skepticism at these levels). Ultimately, the move to add three (3) Firefighter/Paramedics (1 position for each shift) was passed. In 2020, all three (3) Firefighter/Paramedics were hired.

The benefits of having twelve (12) Firefighter/Paramedics on each shift are immeasurable. Below are some of the benefits we have experienced:

- Reduced levels of stress, burnout, and fatigue on staff.
    - COVID put a strain on everyone. Increased staff helped manage the overall stress and strain on everyone during the pandemic.
    - Post-COVID call volume is up 16% in 2022 as compared to 2021. Having a twelfth person on shift helps spread out the workload.
- Improved morale.
    - Linked to reduced levels of stress, burnout, and fatigue on staff.
    - Improved morale = increased productivity.
    - Shift bonding = more cohesive team atmosphere.
- More staff on scene of emergency incidents/fire calls.
    - Improves effectiveness and speed of firefighting operations. More bodies = more tasks that can be accomplished simultaneously = faster fire knockdown.
    - Moves the department/city closer to NFPA Standards which could help lower ISO ratings.
- Reduction in overtime.
    - Minimum staffing levels remained the same, which in turn allows an extra person to be sick/injured before having to call in personnel for overtime.
    - Twelfth person on shift reduces the number of ambulance standbys.
    - 2021 was an anomaly – many firefighters were off due to long-term injury/illness and/or FMLA leave.
- Linked to increased revenue.
    - Fewer intercepts and interfacility transfers will have to be turned down due to minimum staffing levels available in the station.

These are just a few of the benefits we have experienced from the addition of just one Firefighter/Paramedic per shift. I would certainly argue that, with the increase in overall call volume, the increasing volatility of modern structure fires, the building industry's use of lightweight construction materials (fire spread and structural collapse are happening much more quickly), and the need to at least be closer to NFPA 1710 Standards for a 2,000 square foot single-family structure fire (14 Firefighters – See attached NFPA 1710 document), that we need more Firefighter/Paramedics on each shift. But, I will withhold that discussion/argument for another time.

The question remains; is the additional revenue we are collecting from interfacility transfers and paramedic intercepts covering the cost of the three (3) additional firefighters? Averaging the data from Table 2, the combined revenue from intercepts and interfacility transfers from 2018-2021 equals approximately $311,356

annually. A Firefighter/Critical Care Paramedic Level III, with benefits (family health insurance plan), equates to $107,117.92/annually X 3 = $321,353.76. Please keep in mind that this figure is for the ***highest*** wage a Firefighter/Paramedic can obtain and we wouldn't necessarily place all Firefighter/Critical Care Paramedic III personnel in the EMS Enterprise Fund account. By placing lower-level Firefighter/Paramedics in the EMS Enterprise Fund, the interfacility and paramedic intercept contracts roughly covers the cost of the three (3) additional personnel.

Obviously, the figures above do not account for wear and tear on vehicles, overtime that may be incurred by 911 (emergency) calls that occur simultaneously while on an interfacility transfer or paramedic intercept, medical supply costs, etc. As I write this document, Finance is working on a full cost analysis, so I do not have those numbers at this time.

SOLUTION – ISSUE #5

While it can be seen that interfacility transfers and paramedic intercepts roughly cover the cost of three (3) additional personnel salaries and benefits in the EMS Enterprise Fund, the numbers are very close. These figures also do not account for the full cost analysis of wear and tear on vehicles, overtime that may be incurred by 911 (emergency) calls that occur simultaneously while on an interfacility transfer or paramedic intercept, medical supply costs, etc.

After the full cost analysis is complete, I don't know that we would experience a cost savings by simply dropping the contract with MMC and reducing the Fire Department staff by three (3) personnel. This can be based on the fact that we would see a significant decrease in revenue due to decreased call volume while we would also be experiencing an increase in overtime cost due to losing an extra personnel "layer" to the minimum staffing levels (12/shift vs. 11/shift). I've laid out the many benefits we have experienced by having the three (3) additional staff. There is little doubt that we would experience an increase in overtime cost by a reduction in staff. The question at hand is – Would the additional overtime costs incurred by a reduction in staff be more than the potential cost savings eliminating the MMC paramedic intercept and interfacility transfer contract and three (3) personnel?

Without having the actual data in hand at this time, my gut feeling is that the increased overtime cost would eradicate any cost savings experienced by eliminating three (3) personnel and the MMC paramedic intercept and interfacility transfer contract. If that is true, why would we take a step backwards by reducing staff?

Without all the data, it is very difficult to predict if reducing staff and eliminating the MMC paramedic intercept and interfacility transfer contract is a viable solution.

ISSUE #6 – The City of Marshfield EMS Enterprise Fund Model

After several meetings and several weeks of thinking about these challenges, we began to seek out other cities that run their EMS service as an Enterprise Fund. The goal was to see if other cities have made this system work, and if so, how they are making ends meet. Based on responses by other agencies, there were only 2 other services that operate their EMS service based on the Enterprise Fund model; Tomah Area EMS and the Beloit Fire Department. All other Fire/EMS services we are aware of roll their EMS services in with fire protection. The revenue generated by the EMS service then goes directly into the general fund balance. Below are descriptions of the Tomah EMS and Beloit Fire Department EMS Enterprise Fund models. I've highlighted the differences from Marshfield's EMS Enterprise Fund model in yellow:

- **Tomah Area EMS** - This service area has a population base of approximately 19,000 residing in twelve (12) townships, three (3) villages and the City of Tomah. The territory covered by their service is approximately five hundred and fifty (550) square miles.
    - They are operated as an enterprise fund. They contract with everyone they serve including the city of Tomah to provide EMS services. In 2021, they charged a per capita fee of $15 for their services. Their budget consists of user fees and contracts for service.
    - As an enterprise fund, they are responsible for all costs associated with running their EMS service.
    - Their per capita fee is charged to all municipalities that they provide service for, including the city of Tomah.
- **Beloit Fire and EMS** – The population of Beloit is approximately 37,000. They have 3 fire stations and 64 members.
    - They started their EMS enterprise fund in 1998, and stopped using taxes to fund EMS services in 2012.
    - In 2012 their user fees covered about 86% of their costs and they used their "ambulance fund" to make up the rest. This program also supplements the all hazards response mission of the Firefighting and Rescue Division just as our own department (cross-training).
    - Their enterprise fund uses a formula to assign a contract cost to communities around Beloit to provide EMS. They do not charge the City of Beloit for these services.
    - This program provides for a portion of personnel and all of the equipment, maintenance costs for the program. The EMS enterprise fund is not charged for housing the service, nor are they charged by the city for professional services used.
    - The EMS enterprise fund also does not pay for utilities, station maintenance, or station supplies and station equipment. The fund is strictly used for EMS-related items only.

In summary, Beloit, Tomah, and Marshfield all run their EMS Enterprise Funds differently. The major differences are as follows:

- Tomah
    - Charges the City of Tomah, as well as surrounding townships, a per capita fee for ambulance service to assist their EMS Enterprise Fund.
        - The City of Marshfield's EMS Enterprise Fund model charges surrounding townships a user fee for EMS services (contract), but does not charge the City an EMS user fee.
- Beloit
    - Beloit's Enterprise Fund is not charged for housing the ambulance service (utilities, station maintenance and associated building cost, etc.) or professional service fees.
        - The City of Marshfield's EMS Enterprise Fund is charged for housing the ambulance service and is charged a professional service fee.
        - The City of Marshfield's EMS Enterprise Fund also pays a portion of utilities, station maintenance, station supplies, station equipment.

Based on this information, the Marshfield Enterprise Fund is at a disadvantage as compared to other EMS Enterprise Fund models.

Thinking about this strictly from a business sense (the EMS Enterprise Fund being the business), it would be difficult to make a business work if you are not charging your largest user a fee for service, but in turn, are incurring cost and fees by the largest user of your services. The EMS Enterprise Fund charges all other townships a fee by way of a contract for service, which begs the question; why isn't the EMS Enterprise Fund charging the City of Marshfield for the same service?

SOLUTION – ISSUE #6

I believe should the City choose to implement either Tomah's model or Beloit's model (or a combination thereof) listed above, that the Marshfield EMS Enterprise Fund would become solvent over time. While Marshfield's EMS Enterprise Fund model worked for a number of years, the real issues we are facing are the uncontrollable factors of the rising cost of providing an EMS service vs. flat Medicare/Medicaid reimbursement rates. Over time, these uncontrollable factors have caught up with us and we may need financial support from the City or elimination of fees charged to the EMS Enterprise Fund by the City to make the EMS Enterprise Fund work.

IMMEDIATE COST-CONTROL MEASURES IMPLEMENTED

Shortly following the May 31st, 2022 meeting with Finance where we found out about the negative cash perspective facing the EMS Enterprise Fund, we implemented the following measures:

- We are currently working 3 personnel short due to two (2) retirements and one (1) resignation. Two personnel (salary, benefits, and overtime) were moved from the EMS Enterprise Fund and into the Fire Protection account. This leaves the EMS Enterprise Fund covering 8 2/3 salary, benefits, and overtime vs. 11 2/3 salary, benefits, and overtime when at full staff. The EMS Enterprise Fund currently has three (3) vacancies. The Fire Protection and Fire Prevention accounts are both full.
    - All three (3) vacancies have been approved to be filled through the Police and Fire Commission, the Finance, Budget, and Personnel Committee, and through the consent agenda at the Common Council.
    - It should be noted that the approval to fill these vacancies occurred prior to the department learning of the challenges facing the EMS Enterprise Fund.
- Firefighter/Paramedic interviews were held on May 31st, 2022; however, we have held off hiring anyone until a resolution to this matter can be reached. The benefits of operating with twelve (12) personnel have been outlined on page 6 of this document.
    - It should be noted that good candidates are difficult to find and we had one very solid candidate we would offer a job immediately. If we wait too long, we will likely lose this candidate to another Central Wisconsin department: Stevens Point, Wisconsin Rapids, or Wausau. All three departments are currently hiring, but Marshfield is the number 1 choice of this candidate.
- The new ambulance slated for the 2023 CIP was cancelled immediately following the May 31st, 2022 meeting.
    - It should be noted Ambulance 98 is currently 16 years old and has been unreliable for a number of years. It is currently being used only as a "last resort" ambulance. Unfortunately, it still needs to be used as there have been eighteen (18) instances since October of 2019 where we have all 5 ambulances in our fleet out at the same time. These eighteen instances represent eighteen people who would have had to wait for either one of our ambulances to free up from a call or wait for a lower-level care ambulance from Spencer, Stratford, or Pittsville to arrive from their "home" areas.

CONCLUSION/RECOMMENDATION

Several issues and potential solutions have been outlined in this document. Ultimately, it is up to City Staff, the Police and Fire Commission, Finance, Budget, and Personnel Committee, the Common Council, and others to implement some, all, or none of the solutions outlined above.

Working with Finance and others to make sure the numbers make sense; my personal recommendation is to adapt the Marshfield EMS Enterprise Fund model to mirror the Tomah or Beloit model, or to develop a

combination thereof, so our EMS Enterprise Fund can continue to keep up with increasing costs of running an EMS service and combat the flat rate of Medicare/Medicaid reimbursement rates. I believe this option would also allow us to keep our current staffing levels (12 personnel per shift) to continue to provide the citizens of the City of Marshfield and surrounding communities with the excellent services they have come to expect from us.

Lastly, I would like to conclude this document by stating that Marshfield's struggles to fund EMS services and to recruit employees are certainly not unique to Marshfield. These struggles are also not unique to Fire-based EMS services, private ambulance services, or volunteer/paid-on-call departments. All EMS services across the nation are dealing with the same issues:

- Rising costs of conducting EMS vs. flat Medicare/Medicaid reimbursement
- Recruitment of personnel
- Funding restrictions
- Increasing call volume due to aging population
- Increasing burnout and responder suicide rates amongst all first responders

One can conduct an online search or pick up any Fire/EMS magazine and find hundreds, if not thousands of articles outlining the same issues the EMS Enterprise Fund as well as the Marshfield Fire Department, in general, are facing right now. I've attached just a few articles to this document pertaining to some of the issues mentioned.

WISCONSIN POLICY FORUM

IN NEED OF RESUSCITATION?

Wisconsin's fire and EMS agencies face looming challenges

The Forum has recently studied dozens of fire and emergency medical services (EMS) agencies in Wisconsin and found many are struggling to maintain their existing staffing models as EMS call volumes rise and rosters of part-time staff decline. The situation may demand greater consideration of consolidation as well as a response from state policymakers given the implications for local government finances and the threat to public safety.

Over the past eight years, the Wisconsin Policy Forum has studied 30 fire and EMS providers throughout the state as part of a dozen distinct service sharing studies. Our work has taken us from Milwaukee County north to Ozaukee County, south to Racine and Kenosha counties, and west to Jefferson, Rock, and La Crosse counties (see Figure 1). These studies have ranged from regional or county-level analyses to more basic studies undertaken for single departments.

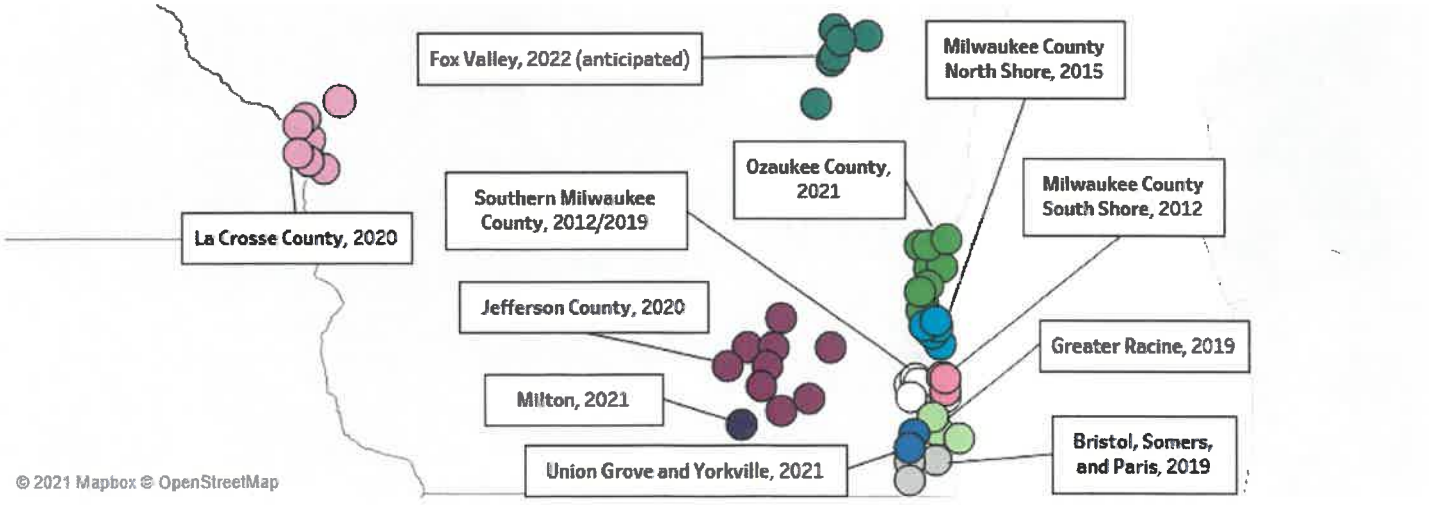
In the broadest sense, our studies consider whether greater collaboration and service coordination among multiple agencies – or perhaps full consolidation of neighboring departments – would address service challenges in a more cost efficient manner than if individual departments acted alone.

These studies look at services that are among the most essential and costly that local governments deliver. If EMS or fire department services are inefficient or ineffective, then taxpayers face considerable risk to their pocketbooks and those needing emergency assistance face the even more sobering risk of a response that is slow and unsuccessful.

We have learned several lessons. One is that while consolidation seems good in theory and could produce long-term savings, cost efficiencies, and service improvements in practice, implementing such an option is almost always much harder than it looks. We have also learned that many fire and EMS agencies are finding it harder to operate each year due to increasing service calls from an aging population and staff recruitment and retention difficulties. Lagging state aid

Figure 1: WPF Explores Fire & EMS Service Sharing Statewide

Shared services studies, 2012-2021; dots represent individual departments studied



and state-imposed limits on local property taxes often compound the problem, creating a difficult road ahead for many local governments throughout Wisconsin.

In this report, we review some general findings from our work with fire and EMS agencies, briefly assess how fire services and EMS fit into a statewide context, and consider how other states regulate these services and assist their local governments in planning and administering service delivery. Finally, we make suggestions for policy changes at the state level that might help local agencies with their growing challenges.

FIRE AND EMS FACE UNIQUE CHALLENGES

Few would argue with the contention that fire and EMS are critical public services in line with those like schools, roads, or police. Fire services and EMS in Wisconsin are somewhat distinct from these other public services, however, in that they can vary substantially depending on geographic location.

In an urban area, an individual needing emergency medical assistance may be cared for by a professional paramedic who arrives within four minutes of the initial call to provide care at the scene as well as in the ambulance during transport to the hospital (if such a transport is needed). Conversely, in rural areas, the initial response may take up to 30 minutes or more, and it is likely that care initially will be provided by an Emergency Medical Responder (EMR) who responds to the call from another job or home, instead of a full-time Emergency Medical Technician (EMT) or paramedic (see box for definitions). A separate, more advanced EMS response may arrive from another agency to transport the patient to the nearest hospital.

In firefighting as well, operations, capabilities, and response can differ significantly between departments of different sizes and geographic locations, and between areas that have hydrants and those that do not. In fact, all but the largest local fire departments lack the capacity to respond to a major fire call themselves and must be joined at the fire scene by neighboring departments.

Some other unique aspects of fire services and EMS include:

- Fire and EMS are the only common public services that rely on volunteers in many departments and that hold fundraisers to support basic operations. In fact, many fire departments date from the founding of cities, towns, and villages. Perhaps because of their dependence on volunteer organizations, they have deep roots in their communities and are closely linked to community pride and identity in many locales.

- While fire and EMS are now commonly linked, they are quite different from an operational perspective. Fires are infrequent, but when they occur they are destructive and they can easily escalate to nearby properties, which means they demand substantial numbers of responders and apparatus. EMS incidents, on the other hand, are generally more contained, occur at least daily in most jurisdictions, and often are handled by two-person crews. Training and licensing/certification for EMS and fire also are different. While combining fire and EMS works well for many reasons, there are still many fire departments that provide a basic EMR response only and leave advanced life support and ambulance transport to a separate public or private agency. According to data from the U.S.

EMS LICENSE LEVELS

Emergency Medical Responder - EMRs are trained to provide non-invasive first aid. This includes clearing airways manually, CPR, controlling bleeding, and taking vital signs. EMRs are trained in the use of portable defibrillator devices.

Emergency Medical Technician-Basic - in addition to all of the skills of an EMR, EMT-Bs are trained to perform more invasive medical skills such as tracheotomies, and in the use of tourniquets and cervical collars. They are also able to administer oxygen and can provide more types of medications, including Narcan for opioid overdoses.

Advanced EMT - all of the skills of EMT-B and also can start an IV and administer a wider range of medications.

Paramedic - all of the skills of Advanced EMT with the addition of invasive procedures such as using a needle for chest decompression and intubation. Paramedics are also able to administer the widest variety of medications.

Source: WI EMS Scope of Practice, Wisconsin Department of Health Services

Fire Administration, 35% of Wisconsin fire departments do not transport patients.

- Unlike most local government services, fire departments almost always are part of an interconnected regional system. These bonds are formalized through a Mutual Aid Box Alarm System (MABAS), which dictates how resources are deployed within regions for major fire or EMS incidents. Most departments also have less formal mutual aid arrangements with neighboring departments for even the most basic calls or back-up. While mutual aid is a foundation of fire response in particular, this close connection also means that if one department begins to falter because of staffing or financial challenges, then nearby departments also are affected. In fact, some chiefs say they have had refuse requests for mutual aid more frequently in recent years due to their own staffing shortages.

STAFFING DIFFERS BY COMMUNITY

Whether they provide a full range of basic and advanced EMS or simply fire protection and emergency first response, fire departments in Wisconsin operate under three basic types of staffing models. The model is generally dictated by call volumes and geography, although financial considerations also can play a role.

- **Volunteer model** – most departments in Wisconsin make extensive use of "volunteers" per data from the U.S. Fire Administration. Volunteers can be truly that and serve completely without pay for some or all types of calls, or they can be paid per call or on an hourly basis (these are often referred to as paid-on-call responders). As might be assumed, volunteer departments predominate in rural areas with low call volumes, as it makes little sense to pay responders to be physically present at fire stations when few calls are coming in. Instead, responders are paged and respond from home or work when they are available. EMS in this model can be provided by the fire department under the same approach or can be run by a separate EMS agency, either public or private. As we will discuss in detail later in this report, recruitment and retention of paid and unpaid volunteers has become increasingly difficult for many departments for a variety of reasons, and this challenge is intensifying at the very time that EMS calls are rising in light of an aging population.

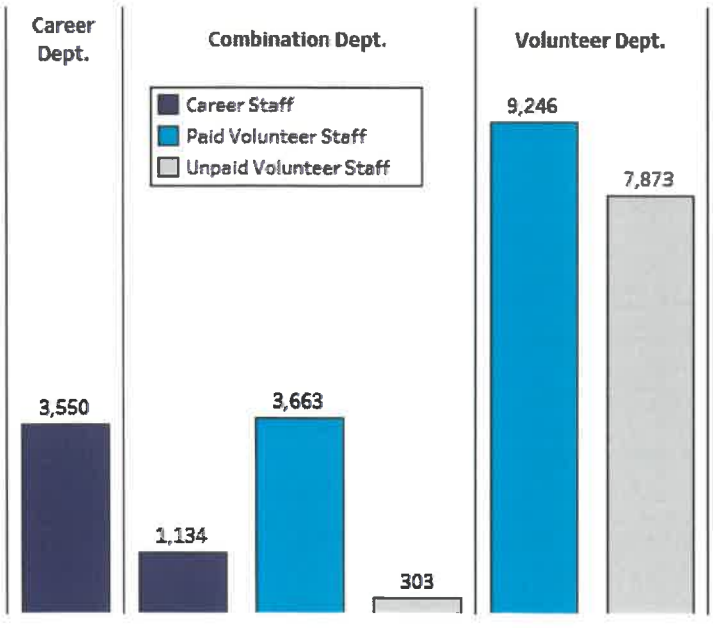
- **Combination model** – as departments face higher call volumes (commonly exceeding 1,000 per year), a purely volunteer response can be ineffective or unsustainable. Instead, departments find they need to have full-time salaried staff present at the station or, at minimum, have volunteer staff assigned specific hours when they guarantee their availability to respond from work or home. Some departments also use part-time staff who are assigned to work occasional shifts at fire stations (these are referred to as paid-on-premises staff). Many use a mix of full-time and part-time or volunteer staff to guarantee a timely response and the ability to respond to multiple calls simultaneously.

- **Career model** – career departments employ mostly or exclusively full-time responders with salaried pay and benefits who are assigned to work shifts at fire stations. Departments using this model typically are located in urbanized areas and receive several calls per day.

Figure 2 shows the distribution of different types of staff (dedicated to fire, EMS, or both) among the 812 fire

Figure 2: Staffing Differs by Department

Statewide fire/EMS staff in Wisc., by department & type of employee



Source: Wisconsin Department of Safety and Professional Services

departments in the state, as reported by the Wisconsin Department of Safety and Professional Services. Most "volunteer" departments have at least some paid staff, even if it is only the chief, a deputy chief, or an inspector.

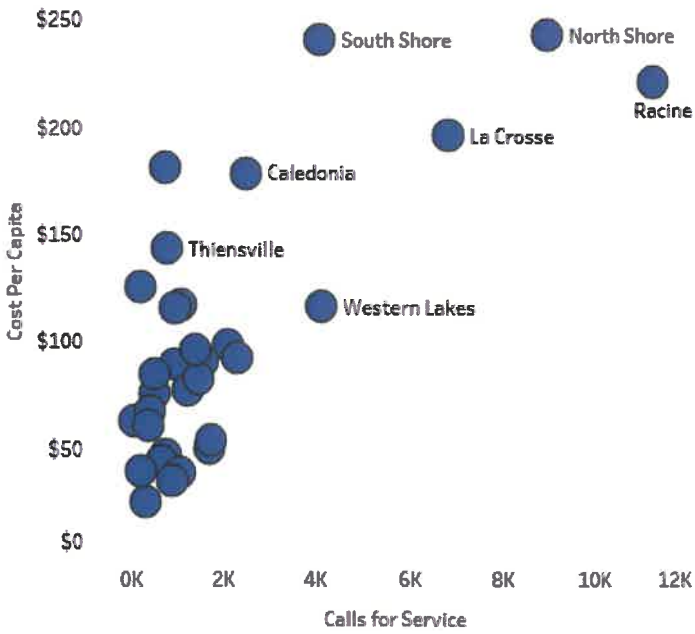
The type of service model is frequently determined, or at least heavily influenced, by available funding for fire and EMS. That, in turn, can be influenced by other municipal needs and priorities and by a jurisdiction's ability to absorb increased fire and EMS spending without exceeding state-imposed property tax limits. Funding for fire and EMS is almost entirely locally-based with little direct support from the state or federal governments (though some state aid such as shared revenue can be used for a variety of purposes, including fire and EMS); local property taxes and ambulance revenues are the two largest local revenue sources.

Our January 2021 study, *Dollar for Dollar*, found that Wisconsin's local government spending on fire department services is slightly below the national average. That is in part because, according to the U.S. Fire Administration, 92.5% of Wisconsin fire departments that reported data to the administration are volunteer or mostly volunteer – the 14th-highest share in the country.

Figure 3 compares data from previous WPF studies on per capita fire and EMS costs and shows those costs in the context of calls for service. Those departments with the highest per capita costs tend to be those with the heaviest call volumes; that makes sense since the largest cost category for fire departments is personnel and those departments make greatest use of full-time, salaried staff. Departments that respond to less than 2,500 calls per year tend to have a much wider range of per capita costs, as their use of full-time staff varies.

Figure 3: Larger Departments Mean More Spending

Calls for service vs. cost per capita, Fire/EMS departments in WPF studies



RECENT WPF RESEARCH HIGHLIGHTS DIFFICULT STAFFING CHALLENGES

WPF's recent fire and EMS analyses have included ones that have examined the potential for broader collaboration within entire counties or regions as well as analyses that have addressed the needs of single departments. The following highlights four recent reports and shows the similar challenges facing fire and EMS providers in different parts of Wisconsin.

- In Ozaukee County, we studied the potential for collaboration among all nine fire departments in the county. Those ranged from rural, volunteer companies to departments serving more urbanized areas using a mix of full-time and part-time staff (see Table 1). We found all of the

Table 1: Overview of Ozaukee County Departments

	FTE	Service Population	2019 Calls for Service	Net Cost/Capita
Mequon Fire Department	28.8	24,806	2,323	52.06
Grafton Fire Department	15.0	16,216	1,471	53.58
Port Washington Fire Department	11.2	14,173	1,748	9.23
Cedarburg Fire Department	3.8	18,153	1,162	8.86
Thiensville Fire Department	5.4	3,164	777	84.49
Saukville Fire Department	6.0	5,604	506	42.10
Fredonia Fire Department	2.4	6,027	381	39.36
Belgium Fire Department	Volunteer	3,882	229	34.54
Waubeka Fire Department	Volunteer	2,063	98	41.71

departments were severely challenged by recruitment and retention of part-time and volunteer staff, yet elected leaders in few of those communities seemed open to the idea of spending substantially more to move to combination or full-time models. We suggested a range of options, including a jointly funded county-wide paramedic intercept system to boost EMS service levels across the county, jointly supported full-time staffing at strategically located stations, and several consolidation options.

- Our study in Jefferson County considered EMS services only and included 11 agencies, ranging from career fire departments to EMS-only agencies and one private ambulance provider. Given a diversity of service models but common challenges related to reliance on part-time and volunteer staff, our recommendations started with improved coordination, such as joint planning and training and the establishment of a county-wide EMS Council. We also looked at a variety of ways that an EMS model coordinated by Jefferson County government could improve and standardize service levels across the county and provide enhanced financial support without exceeding local property tax limits.

- In La Crosse County we focused on five fire departments in the western part of the region (including one in La Crescent, MN) that included volunteer, combination, and career staffing models. We found that the three departments that relied largely on part-time volunteers were experiencing recruitment and retention challenges. One of those – the Holmen Area Fire Department – was particularly stretched in light of increased development and rising call volumes. We also found that the full-time La Crosse Department was heavily resourced and could possibly play a greater role in serving the region. Our conclusion cited an array of collaboration options that included joint financing and staffing of new stations to serve the region's increased service demands. Subsequent to our report's release, the Holmen Area and La Crosse departments took a step toward consolidation by agreeing to have the La Crosse chief manage both departments.

- Facing growing call volumes and a potential need to turn toward more full-time staffing, the Union Grove/Yorkville Fire Department in Racine County asked WPF to provide context for its decision-making by researching the staffing models of departments with comparable calls for service and service areas. We identified six comparable departments throughout Wisconsin (see Table 2), each of which (with the exception of the Cedarburg Fire Department) used combination staffing models with significantly more career staff than Union Grove/Yorkville. Expenditures per capita varied from $35 in Cedarburg and $47 in Union Grove/Yorkville to $181 in Somers. This research showed that while there are a variety of service models for smaller departments, once call volumes approach a rate of three or more per day there is a need for greater use of career staff.

KEY TAKEAWAYS FROM OUR WORK

These and our other fire and EMS service sharing studies reveal a set of common themes and takeaways:

Table 2: Union Grove-Yorkville Peer Department Characteristics

	Service Area (sq. miles)	Service Population	Expenditures/Capita	2019 Calls for Service
UGYFD	36.2	11,265	$47	1,112
City of Burlington FD	40.3	17,000	$96	1,773
Cedarburg FD	29.5	18,153	$35	1,162
Milton FD	90.0	11,523	$117	927
Mount Horeb FD	131.9	12,500	$89	1,292
North Fond du Lac FD	90.7	11,670	$117	1,235
Somers FD	29.2	9,840	$181	1,162

1) **Recruitment is a major issue for all types of departments but is reaching a crisis point for many volunteer and combination departments.** For small communities whose departments receive no more than a call or two per day, relying heavily on volunteer or part-time staff makes sense. Instead of paying full-time wages and benefits to have crews of responders stationed at the fire house waiting for an infrequent call to come in, these departments have relied on robust rosters of individuals who live or work nearby and can drop what they are doing to respond when needed. Unfortunately, this model is now becoming very difficult for many departments to sustain. A particular challenge involves EMS calls, which increase as populations age and which are most frequent during daytime hours, when volunteers are least likely to be available to respond. EMS personnel also have licensing and training requirements that can be a significant burden; combined with the busy lifestyles of today's society, these factors have produced shrunken volunteer rosters for many departments.

2) **In many cases, consolidation does not produce immediate financial savings, but it offers advantages when looking toward future financial challenges.** This is particularly true when consolidation offers opportunities to reduce apparatus and/or stations. Those departments that need to transition from volunteer to combination staffing models or from combination to career models may also find that consolidation with nearby departments offers a more cost effective way to manage that change. Consolidation also offers improvements in service levels in many cases, as larger departments have more command staff and battalion chiefs and offer opportunities to strategically deploy staff during times of high call volumes without relying on neighboring departments or expensive overtime payments.

3) **While consolidation may be beneficial, the odds are against it in most cases.** Some of the reasons include geography that is not conducive to consolidation, conflicts between municipalities that are rooted in other issues, and differences in circumstances between departments (perceived as "winners" and "losers" if consolidation were to occur). Many chiefs acknowledge this reality and look to other ways to collaborate with neighboring departments through formal mutual aid agreements, joint trainings, and equipment sharing. Others go further by seeking automatic aid agreements, in which two or more departments agree to be dispatched simultaneously to fire calls in each community covered by the agreement; or "closest unit responds" frameworks in which dispatchers call on the closest available unit regardless of municipal boundaries.

But perhaps our most important finding – and one that state and local policymakers cannot afford to overlook – is that unless fire and EMS financial and staffing challenges are appropriately addressed, they may soon have a real impact on public safety. As discussed above, while paid-on-call staffing models have served many communities well in the past, rising EMS call volumes and staffing challenges are causing many to re-think this approach and strive to house at least some full-time staff at stations. Such a move can allow the initial response to occur almost immediately after the call arrives instead of being delayed as staff are pulled in to respond from remote locations. It also can ensure that smaller departments maintain the capacity to respond to all calls, instead of having to rely on neighboring departments to respond during busy times from greater distances. For some medical emergencies such as cardiac arrest, response times can make a critical difference in the outcome for the patient.

Even when the political will exists among local leaders to raise property taxes to pay for more full-time staff, doing so will cause some communities to exceed state property tax levy limits. In that case, a citizen referendum is required, as has been the case recently in Beaver Dam, Grand Chute, and Greenfield. In other cases, paying for more full-time staff could cause local governments to exceed state expenditure restraint limits, which results in a cut in their shared revenue allocation. Whatever their cause, these financial barriers to more full-time staffing can impact emergency response times and jeopardize public health and safety.

While our purpose here is not to provide a detailed analysis of state levy and expenditure restraint limits (such an analysis can be found in this Legislative Fiscal Bureau paper), a few points are worth mentioning.

First, there *are* exemptions in the levy limits for fire and EMS, but they are tied to consolidation. For example, when the charges assessed by a joint fire or EMS department would cause one of the participating municipalities to exceed its levy limit, then an exemption can be granted if the percentage increase in the total charges does not exceed the change in the prior year's Consumer Price Index plus two percentage points. Also, in counties where a countywide EMS system exists, the county government can exclude expenditures from its levy limit. Levy limit adjustments also are allowed to fund services transferred from one government to another.

As noted above, we have witnessed the real benefits that can be produced by consolidation of multiple fire and EMS departments. Consequently, it could be argued that using levy limit exemptions as a carrot to encourage consolidation is a reasonable approach. However, as we will discuss below, other exemptions might be considered for those departments that do not intend to pursue consolidation for valid reasons.

Finally, one chief conveyed to us his experience with a recent U.S. Department of Labor audit that resulted in new and costly interpretations about the treatment of interns and volunteers for payroll purposes. Changes needed to comply with newly interpreted DOL standards could have significant financial impacts on other combination and volunteer departments, as well.

OTHER STATES MAY OFFER INSIGHTS

As noted earlier, state government provides little in the way of direct financial support to local fire and EMS agencies in Wisconsin. Meanwhile, the most important form of indirect support – state shared revenue – has been stagnant for years.

Still, state agencies have tools to promote change since they are responsible for licensing EMS staff, recognizing exclusive response areas for fire departments, inspecting ambulances, and organizing wildland fire response. This oversight is fragmented between several state agencies, including the Department of Safety and Professional Services, which has a regulatory role with regard to fire protection operations; the Department of Health Services, which plays a similar role with regard to EMS; and the Department of Natural Resources, which takes the lead on wildfire management. Even the Department of Justice, which oversees arson investigations, and the Department of Transportation, which manages ambulance inspections, get into the act.

We conducted a high-level review to see how fire and EMS are organized in other states and found some possible food for thought for Wisconsin policymakers. For example, in Ohio, a single division of the Department of Public Safety covers both fire and EMS regulations and oversight. We also found that many states have created regional agencies to address issues of planning and service design and provide state resources to support such activities. For example:

- In Minnesota, the State EMS Regulatory Board funds eight regional EMS agencies that have responsibility for provider education, public education, conferences, critical incident review, a rehab team, and EMS resource coordination.
- In Michigan, 61 local Medical Control Authorities are organized into eight regions. The authorities have broad authority to set and enforce EMS protocols and standards. They are hospital-based and each has its own medical director. Fire is regulated separately.
- Washington state also is divided into eight EMS regions, which have agencies charged with developing regional plans as well as public education and prevention programs (see Figure 4). Regional plans can identify areas of need, particularly in smaller jurisdictions with inadequate resources, and they are charged with building local fire capacity.

Figure 4: Washington's EMS & Trauma Response Areas

Source: Washington State Department of Health

Tennessee is an example of a state that emphasizes both regionalism and greater responsibility for fire department capacity and quality at the state level. The state allows for the formation of countywide fire departments and for additional property tax levies to support them. The state statutes set out a detailed process for establishing need and then for master planning. An investigating committee documents existing conditions, including water supply, availability of paid and volunteer responders, budgets, and overall fire risk. Organizers then proceed to a formal master planning process.

California also designates Local EMS Agencies to oversee service delivery. The Local EMS Agencies, not municipalities, contract for EMS service within defined areas, although local fire departments are grandfathered into the system. The Local EMS Agencies also set deployment zones that require agencies within the same zone to backfill each other during times of high call volumes.

In terms of service planning, California's Local Agency Commissions (LAFCO) develop service plans for fire and EMS, similar to sewer service planning in Wisconsin. Each county's LAFCO sets a sphere of influence for individual departments that considers future consolidations and the impact of projected growth on service demand. These plans consider opportunities for shared services and services to disadvantaged communities.

POLICY INSIGHTS AND CONCLUSION

Our experience working with fire and EMS agencies in Wisconsin and our broad overview of other states suggest that increased attention by state government leaders is both warranted and likely required to effectively address the growing challenges faced by many fire and EMS agencies in the state.

It seems intuitive that local governments facing challenges with recruitment of both part-time and full-time responders will need to examine their pay structures and consider increasing rates of pay to attract greater numbers of applicants. Yet, that notion is problematic on two counts: 1) the ability to do so may produce budget increases that conflict with state-imposed property tax levy or expenditure restraint limits; and 2) the state EMS Association reports that even with higher rates of pay, staffing shortages are a problem at most departments.

With regard to the latter, we have heard anecdotally that more people are leaving the fire and EMS field, whether due to the impacts of the pandemic, job stress, or other factors. Meanwhile, many chiefs report that fewer people are choosing to volunteer, either because of today's busier lifestyles or reduced interest in volunteering among younger generations.

Options for reversing these trends with regard to the pipeline for new paid and career responder positions could take years to effectuate. In the shorter term, greater financial assistance from the state or adjustments to financial constraints on local governments could be helpful. Specific options that might be considered include:

- Establishing direct state aid (either grants or loans) to help prospective fire and EMS professionals pay for education and licensing costs. A more ambitious option would be to create a service corps where young people can earn free or reduced college tuition at public colleges and universities while working in the fire and EMS field.
- Creating opportunities for part-time fire and EMS responders to enroll in health care and retirement plans offered to state employees or enhancing state-administered longevity bonus programs for such workers.
- Increasing Medicaid reimbursement for ambulance transports to 100% of the Medicare rate. As of January 2022, reimbursement under the state's Medicaid program will rise to 80% of the Medicare rate. This was significant in light of the many competing health-related entities and initiatives that could benefit from greater Medicaid reimbursement and it would be a heavy lift politically to increase it further, but doing so would provide additional revenues to fire departments and EMS agencies that could be used to boost responder compensation. A related option could be to explore options for state reimbursement for non-transport emergency medical response and related activities like community paramedicine, in which fire department personnel engage in case

management of heavy EMS utilizers. Another option would be to explore a change in the state Medicaid plan to take advantage of a Ground Emergency Medical Transportation provision in federal law that allows Medicaid reimbursement for the full cost of an ambulance transport.

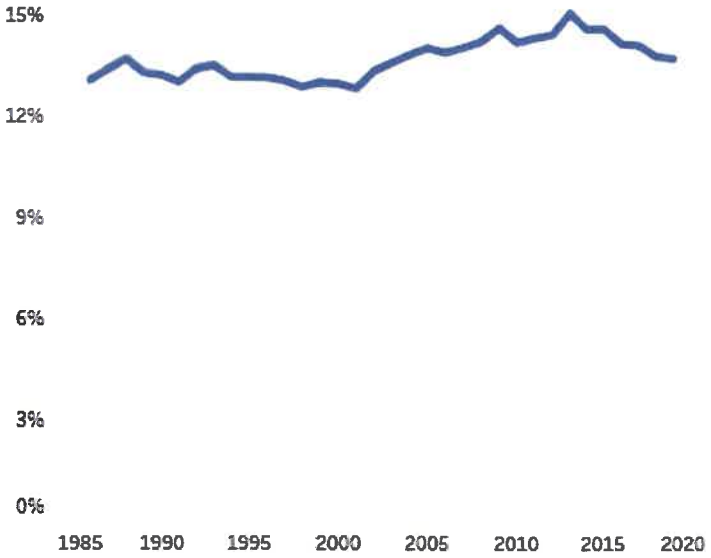
- Allowing localities more flexibility in terms of revenue and expenditure restraint limits (other than referendum) when addressing documented fire and EMS service challenges that need to be addressed with greater financial resources. As discussed earlier, state law does currently allow some exemptions for joint fire departments and joint or countywide EMS agencies. While these provisions may offer relief for those that elect to form joint departments or have their counties administer EMS, that may not be a feasible approach for many jurisdictions. Consequently, extensions to other types of departments or municipal agencies could be considered. The exemptions might even be tied specifically to those communities that desire and can document the need to move to a new and more expensive staffing model.

- Establishing a formal role for counties or regional entities in governing and setting standards for fire protection services and EMS throughout the state and providing state financial assistance to ensure standards can be appropriately monitored and met. We observed that in some states, regional entities assist in planning for future service delivery, coordinating services and service sharing, and providing other technical assistance to support local fire and EMS agencies. Counties, regional planning commissions, or new regional bodies could identify areas with service gaps and review the financial and service capability of local agencies. They could also encourage dispatch improvements and other changes that would remove obstacles to greater coordination or consolidation.

Finally, given that moving to a larger mix of full-time staff appears to be a must for many small departments, efforts to encourage consolidation among such departments appear to be in order. Proportional spending on fire and EMS by municipal governments is already trending downward (see Figure 5), suggesting

Figure 5: Fire/Ambulance Spending Starting to Trend Down

Municipal and town spending on fire and ambulance services as % of operating and capital spending, 1986-2019



Source: Wisconsin Department of Revenue

little capacity for local governments to increase spending to pay for full-time staff. That is why – barring new forms of state aid or relaxation of levy limits – teaming up with neighboring departments may be the best solution given the opportunity it provides to share the cost of full-time staff and expensive vehicle replacements across a broader population.

It also could be argued that one of the fundamental challenges for EMS in Wisconsin is that system design decisions would most appropriately be made regionally, but under the state's current structure most EMS delivery systems are funded and "owned" locally. This disconnect can lead to questionable policy decisions and might similarly be addressed by more extensive consolidation of EMS agencies at the county or regional level or by establishing a greater role for the state, counties, or regional bodies in setting standards for quality of care and responsiveness.

Overall, we hope state and local elected officials are paying attention to our recent reports and the overriding message they're sending: the ability of many communities to provide an appropriate level of fire and emergency medical services is in jeopardy and may soon necessitate an emergency response of its own.

https://www.republicaneagle.com/news/red-wing-s-ambulance-has-a-1-1-million-deficit/article_7fdda6f8-83a0-11ec-91d6-d3a17b6beeb8.html

NEWS

Red Wing's ambulance has a $1.1 million deficit

written by Rachel Fergus

Published on Feb 1, 2022

File photo

Red Wing is experiencing an all-too common phenomenon: mounting expenses to keep ambulances running.

Fire Chief Mike Warner explained in a recent report that "48% of the staffing costs are allocated to the fire department general fund and 52% are allocated to the ambulance fund. The ambulance fund is operated as an enterprise fund. Enterprise funds are designed to generate enough revenue to cover expenditures without support from the general fund."

The problem is that the enterprise fund is not generating enough revenue. Currently, the ambulance branch of the fire department has a deficit of $1.1 million.

Warner explained the reason for this growing deficit:

"An ambulance bill is sent following the request for service. The bill is paid for by private medical insurance, government insurance (Medicare, Medicaid, VA, etc.) or private funds. The demographics of Red Wing explain that 70% of the medical call volume is paid by government insurance. Unfortunately, the federal government sets the reimbursement rates for all states. This cost is approximately a quarter of what the city of Red Wing has determined in the fee structure."

As one of the largest cities in the region, Red Wing provides ambulance services to surrounding communities in Minnesota and Wisconsin, covering about 250 square miles.

The fire department is seeing increased calls for service. In 2020, the department received 3,751 calls. In 2021, the department received 4,397 calls for service, an increase of over 17%. Warner wrote, "The increase of calls has created stress and added work to the system. The increased call volume is caused by the overall pandemic as well as the side effects from the pandemic. Both fire and medical calls have seen an increase."

Warner and city staff are working to find ways to offset costs. Ideas that have been considered include:

- Creating a new ambulance special taxing district. Warner's report explained that new state legislation has the ability to create a special taxing district, which would specifically be for the coverage area outside of Red Wing. For this to be put into place, an agreement with each township or county would have to be agreed upon.

- Creating a joint powers agreement between the townships.

- Changing the description of the enterprise fund to a special revenue fund. The drawback of this, according to the report, is that "This option could require funds from the general fund to offset the revenue from the ambulance billing. This could require the general fund to increase each year."

- Negotiating with townships to seek funding for services directly impacted in areas outside of Red Wing.

- Ending interfacility transfers for Mayo Clinic. According to Warner, in 2021, the fire department received 871 requests for interfacility transports. These calls usually run for three hours or longer. During this time the ambulance crew is not in town and not available for incidents. Warner noted the problem is that "Due to the challenges of the funding, it is currently not clear on the effects of removing inter-facility calls and how that will affect the budget."

According to a July NPR story, A third of rural EMS agencies are at risk because they cannot afford the costs of operation.

Warner noted, "The fire department has reached out to the Emergency Medical Services Regulatory Board in Minnesota to discuss the options as well as the impacts. The EMSRB identified this as not only a problem in Red Wing but across the entire state and nation. Government-funded programs drastically cut the funding of agencies being able to perform. They also are seeing an increase in call volume in all agencies. The suggestion from the EMSRB is to communicate with the townships and discuss funding options to help offset the costs."

NFPA 1710

Changes to Fireground Staffing Levels for Career Fire Departments

NFPA 1710 provides the minimum requirements relating to the organization and deployment of fire suppression operations, emergency medical operations, and special operations to the public by career fire departments.

For the 2016 edition of the standard, subsection 5.2.4 on fire department service deployment was revised to include three new occupancies, along with the appropriate response staffing levels for each. The minimum staffing level for each occupancy is listed below. *(For the full breakdown of staffing requirements by position, refer to the subsections specific to each occupancy in 5.2.4.)*

Single-Family Dwelling — minimum of 14 members (15 if aerial device is used)

The initial full alarm assignment to a structure fire in a typical 2000 ft^2 (186 m^2), two-story, single-family dwelling without a basement and with no exposures must provide for a minimum of 14 members (15 if an aerial device is used).

Open-Air Strip Mall — minimum of 27 members (28 if aerial device is used)

The initial full alarm assignment to a structure fire in a typical open-air strip shopping center ranging from 13,000 ft^2 to 196,000 ft^2 (1203 m^2 to 18,209 m^2) in size must provide for a minimum of 27 members (28 if an aerial device is used).

Garden-Style Apartment — minimum of 27 members (28 if aerial device is used)

The initial full alarm assignment to a structure fire in a typical 1200 ft^2 (111 m^2) apartment within a three-story, garden-style apartment building must provide for a minimum of 27 members (28 if an aerial device is used).

High-Rise — minimum of 42 members (43 if building equipped with fire pump)

The initial full alarm assignment to a fire in a building with the highest floor greater than 75 ft (23 m) above the lowest level of fire department vehicle access must provide for a minimum of 42 members (43 if the building is equipped with a fire pump).

Fire departments that respond to fires in occupancies that present hazards greater than those found in 5.2.4 shall deploy additional resources as described in 5.2.4.5 on the initial alarm.

NOTE: Even though fireground staffing levels have changed, NFPA 1710 continues to require that engine companies be staffed with a minimum of 4 on-duty members, as stated in subsection 5.2.3. In addition, paragraph 5.2.2.2.1 requires that the fire department identify minimum company staffing levels as necessary to meet the deployment criteria required in 5.2.4 to ensure that a sufficient number of members are assigned, on duty, and available to safely and effectively respond with each company.

Material used in this summary is taken from the 2016 edition of NFPA 1710, *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*. This reprinted material is not the complete and official position of the NFPA or its Technical Committees on the referenced subject, which is represented solely by the standard in its entirety. That standard can be accessed online at www.nfpa.org.

Revised 11/15/2016