

Why a Budget Amendment?

- In 09/2022 we entered into a contract, approved by the EMSA Board of Trustees, for contract labor to support Western Division Operations
 - Short term solution to increase staffing and compliance
 - Intended to bridge the gap between provider shortages and growing our own ranks
 - Was presented as an unbudgeted expense that would likely result in the need for a budget revision
- Today we are presenting the amended FY23 Budget requesting supplemental funds from our Western Division Beneficiary and Non-beneficiary cities.

Building the EMSA Budget

- EMSA begins building its budget four months ahead of the upcoming fiscal year
- The two divisions are funded separately and budgeted independently
- Five years' worth of volume data (responses and transports) is used to predict volume for the upcoming fiscal year within a 90% reliability threshold
- FY23 observed volume increases are outside of the 90% reliability threshold
 - Volume trends indicate these increases will likely continue through the end of the current fiscal year based upon consistent environmental factors (community health, flu, population growth)

Current Situation

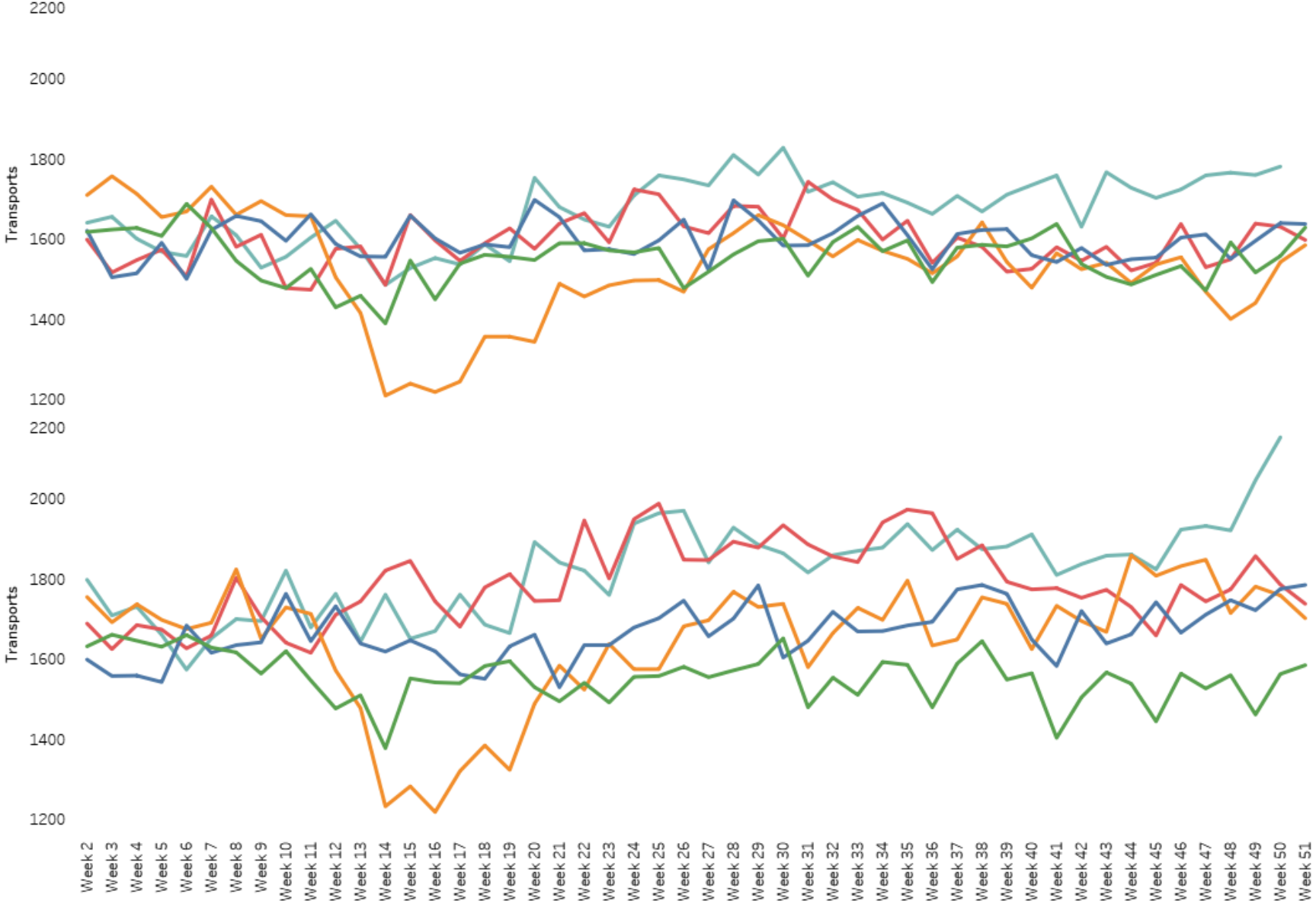
- FY23 Budgeted volume included forecasted annual volume growth of -
 - 3% for the Eastern Division
 - 7% for the Western Division
- Unprecedented and unpredictable volume growth in both divisions since July 1st
- Actual volume growth is consistently trending week over week
 - Eastern Division – 7%
 - Western Division – 10%
- Volume increases result in additional supply costs
- Also results in an increased FTE need to meet demand (more shifts needed to cover volume increases)
 - Eastern Division will need a 10.5% increase in FTEs
 - Western Division will need a 7% increase in FTEs

EMSA Calendar 2022 Transport Volume by Week

Division

Time First Unit Assigned

Eastern Division



Legend

- Cyan – 2022
- Red – 2021
- Orange – 2020
- Blue - 2019
- Green – 2018

| Division | May | July | Sept | Nov | Dec |
|-----------------------------|---------------|----------------|---------------|----------------|-----------------|
| East (Budget Prediction) | 7046 | 7056 | 6715 | 6636 | 6969 |
| East (Nov Actual) | 7313 (+4%) | 7848 (+11%) | 7290 (+8%) | 7570 (+12%) | 7599 (+9%)* |
| West (Budget Prediction) | 7470 | 7717 | 7516 | 7414 | 7733 |
| West (Nov Actual) | 7977 (+7%) | 8253 (+7%) | 8166 (+8%) | 8278 (+10%) | 8784 (+12%)* |

*Forecast

| | Eastern Division | |
|---|--------------------------------|-------------------------------|
| | FY23 Budget Original | FY23 Budget Revised |
| Total Operating Revenue | 39,016,685 | 42,894,711 |
| Total Salary & Wages | 19,763,938 | 21,130,551 |
| Total Contract Labor (operations only) | 240,000 | 2,053,123 |
| Total Benefits & Training/Development | 4,762,756 | 5,126,806 |
| Total Professional & Contracted Services | 1,403,972 | 1,503,104 |
| Total Supplies | 3,353,680 | 3,639,852 |
| Total Repairs & Maintenance | 1,497,315 | 1,483,850 |
| Total Utilities & Rent | 627,546 | 680,215 |
| Total Risk Management | 1,050,264 | 1,019,367 |
| Total Public Relations & Other | <u>1,131,618</u> | <u>1,497,215</u> |
| Total Operating Expenses | 33,831,090 | 38,134,083 |
| Non-Operating Income | (24,000) | (76,855) |
| Depreciation & Interest Expense | <u>1,880,000</u> | <u>1,654,442</u> |
| Net Income | 3,329,596 | 3,183,041 |
| Additional Cash Outlay | | |
| FY23 Capital Expenditures | (3,276,180) | (2,646,180) |
| FY23 Debt Service | (706,419) | (706,419) |
| Add Back: Depreciation | <u>1,800,000</u> | <u>1,654,442</u> |
| Net Cash (after capital and debt service) | <u>1,146,997</u> | <u>1,484,884</u> |

- AMR Settlement of 2.6 million.
- Patient Revenue increase is due to volume/improvement in reimbursement.
- A 6.7% increase in Medicare reimbursement schedule goes into effect in 2023.

- Salary & Wages variance is due to volume. FTE Field requirement increased by 10.5%.
- February 1, a 5% raise factored into salary scale for operations team members.

Contract labor consists of the contract EMTs with BPM. The contract was extended to the end of November.

Supplies variance is due to volume

Expense variance offset by volume and reimbursement growth. Contract labor negative variance materially absorbed.

Deferral of some capital purchases due to availability

Positive Cash Position

Western Division

| | FY23 Budget Original | FY23 Budget Revised |
|---|--------------------------------|-------------------------------|
| Total Operating Revenue | 43,747,673 | 48,559,059 |
| Total Salary & Wages | 22,105,752 | 21,321,139 |
| Total Contract Labor (operations only) | 260,000 | 11,146,523 |
| Total Benefits & Training/Development | 5,209,631 | 5,095,191 |
| Total Professional & Contracted Services | 1,512,171 | 1,628,377 |
| Total Supplies | 3,902,578 | 4,718,333 |
| Total Repairs & Maintenance | 1,738,666 | 1,665,656 |
| Total Utilities & Rent | 818,061 | 889,566 |
| Total Risk Management | 1,137,786 | 1,118,796 |
| Total Public Relations & Other | <u>1,225,920</u> | <u>1,595,874</u> |
| Total Operating Expenses | 37,910,565 | 49,179,454 |
| Non-Operating Income | (26,000) | (69,581) |
| Depreciation & Interest Expense | <u>1,800,000</u> | <u>1,142,532</u> |
| Net Income | 4,063,107 | (1,693,346) |
| Additional Cash Outlay | | |
| FY23 Capital Expenditures | (4,522,180) | (3,537,180) |
| Add Back: Depreciation | <u>1,800,000</u> | <u>1,142,532</u> |
| Net Cash (after capital purchases) | <u>1,798,508</u> | <u>(4,087,994)</u> |

- Includes \$2.9M AMR settlement in Other Revenue.
- Patient Revenue increase is due to volume/ improvement in reimbursement.
- A 6.7% increase in Medicare reimbursement schedule goes into effect in 2023.

- Salary & Wages decreased due to unfilled positions.
- Field FTE requirement increased by 7% due to volume.
- February 1, there is a 5% raise factored into salary scale for operations team members.

- Contract labor = EMT contract (BPM) , OCKFD, EFD, TOC and Shift Support through November
- November- June PMED contract (BPM) brought on board to address ALS staffing shortages in OKC.

Supplies increase is due to volume

Negative variance driven by contract labor usage to offset staffing shortages for Medics in OKC.

Deferral of some capital purchases to FY24. Purchase of used ambulance due to shortage of new chassis.

← Projected cash shortfall



Funding
Scenario

Western Division

Net Cash Shortfall \$ **4,087,994**

Board Restricted Funds- West 2,900,000

Additional subsidy required \$ **1,187,994**

Subsidy Distribution:

| | | |
|-----------------|--------|------------------|
| • OKC | 85.91% | 1,020,577 |
| • Edmond | 12.06% | 143,242 |
| • The Village | 1.32% | 15,712 |
| • Nichols Hills | 0.55% | 6,528 |
| • Arcadia | 0.04% | 435 |
| • Lake Aluma | 0.01% | 155 |
| • Valley Brook | 0.11% | 1,346 |
