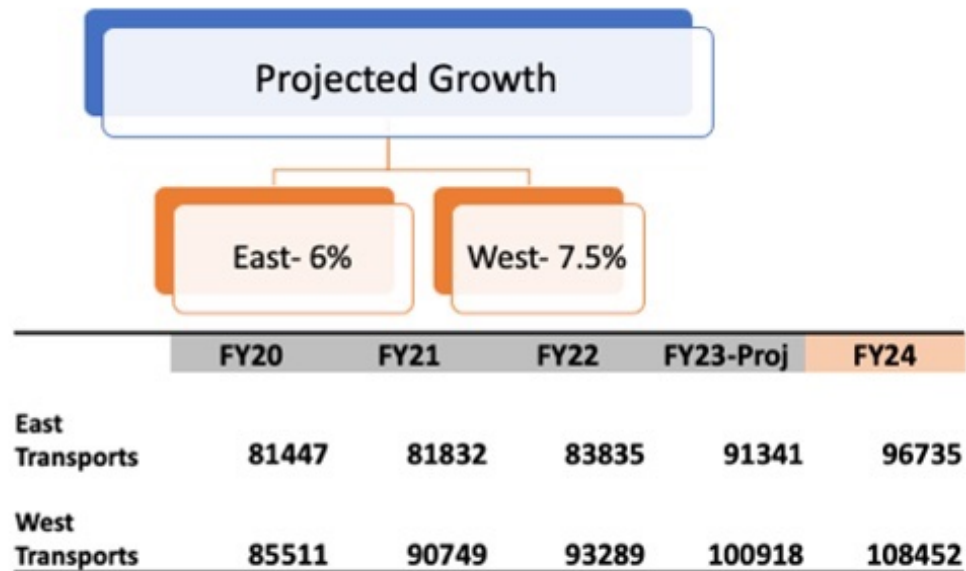


# FY24 Budget

Emergency Medical Services Authority



## Volume Trend & Assumptions



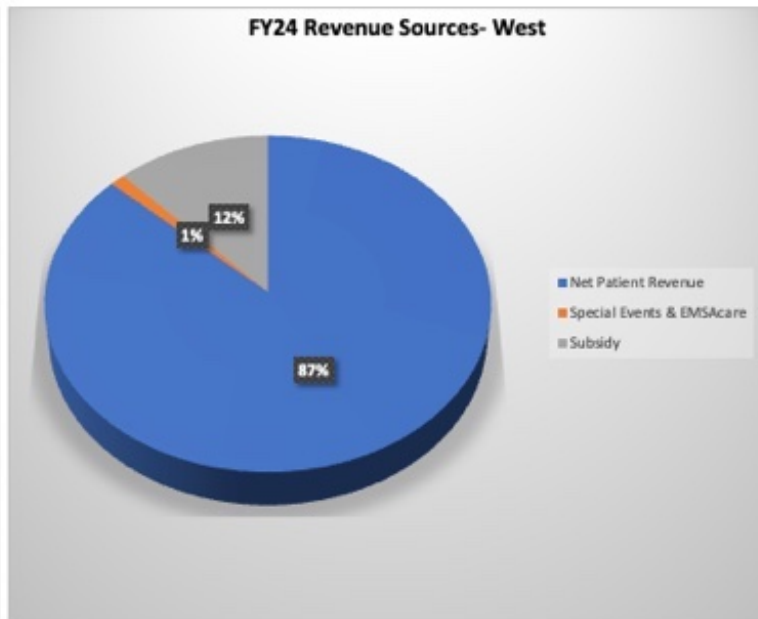
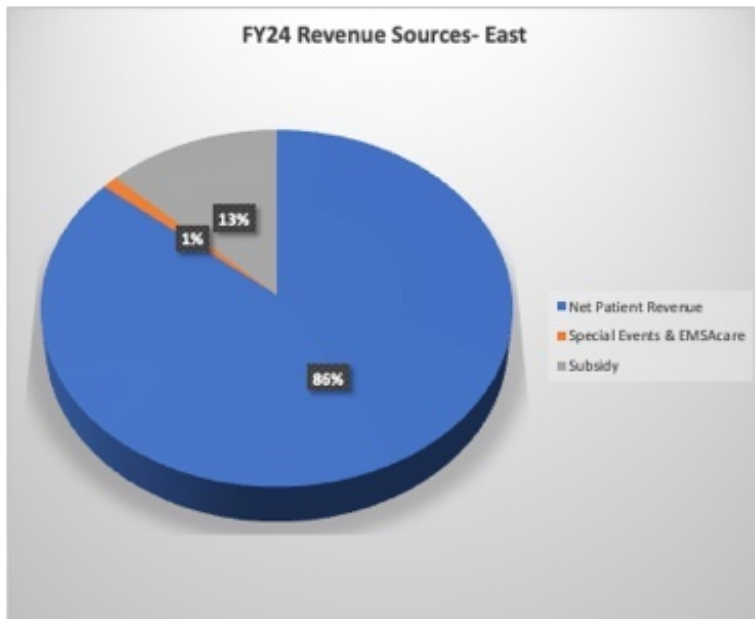
Volume is based on 5-year demand analysis with a 12-week seasonality projection. We have been showing volume growth between 12-14%. EMSA has already realized some of the projected growth in the budget modifications previously approved in February 2023.

# Net Patient Revenue

- Medicare 7.5% reimbursement increase effective Feb. 2023- estimated \$1.5m annual impact
- BCBS negotiated rate increase effective Feb. 2023- estimated \$1.2m annual impact
- Impact of Medicaid managed care implementation is still unknown
- 10% reduction of Medicaid revenue with half moving to self-pay
- Note Medicare & BCBS make up at least 50% of revenue

	FY24 Budget	FY23 Projected	FY22 Actuals
<b>East</b>			
<i>Realization Rate</i>	30.5%	31.9%	26.8%
Net Patient Revenue	40,247,126	39,186,339	31,077,854
Transports	96,735	91,341	83,835
Revenue per transport	416	429	371
<b>West</b>			
<i>Realization Rate</i>	31.5%	31.9%	27.0%
Net Patient Revenue	46,834,361	44,271,877	34,884,587
Transports	108,452	100,918	93,289
Revenue per transport	432	439	374

Our realization rate is trending through the end of March at 31.9%. This is the highest realization that we've trended at in four years. However, we are approaching FY24 conservatively budgeting a realization rate of 30.5%. This is in part due to the unknown impact of the implementation of Medicaid Managed Care.



## Operating Revenue

The majority of EMSA's revenue for FY24 comes from direct patient revenue, with city subsidies representing 12% & 13% respectively. Total subsidies for FY23 were 14% of EMSA's total consolidated operating revenue.

# Subsidy Trend

*Note: EMSA Compound Annual Growth Rate (CAGR) is 26.35%  
Cumulative subsidy growth is less than 3.6%*

## Historical Subsidies

	FY 2020	FY 2021	FY 2022	FY 2023	Budget 2024
<b>City of Tulsa</b>	<b>4,398,000</b>	<b>4,700,000</b>	<b>4,800,000</b>	<b>4,800,000</b>	<b>5,040,000</b>
<b>City of OKC</b>	<b>4,606,237</b>	<b>4,702,550</b>	<b>4,702,550</b>	<b>5,723,126</b>	<b>5,345,042</b>
<b>City of Edmond</b>	<b>646,502</b>	<b>660,020</b>	<b>660,020</b>	<b>803,262</b>	<b>741,089</b>

The compounded growth of city subsidies from 2020 to 2024 is less than 4% compared to EMSA's overall budget growth of 26% in the same time period. Minimal subsidy growth is a direct result of maximizing operational resources and highly effective patient revenue management.

# Operating Revenue

	<b>FY24 Budget Consolidated</b>	<b>FY23 Projected Consolidated</b>
<b>Revenue</b>		
<b>Total Patient Revenue</b>	<b>280,853,714</b>	<b>261,774,707</b>
<b>Total Contractuals &amp; Deductions</b>	<b>(193,772,227)</b>	<b>(178,316,492)</b>
<b>Total Net Patient Revenue</b>	<b>87,081,487</b>	<b>83,458,216</b>
<b>Realization Rate</b>	<b>31.0%</b>	<b>31.9%</b>
<b>Total Other Operating Revenue</b>	<b><u>13,278,000</u></b>	<b><u>16,363,525</u></b>
<b>Total Revenue</b>	<b><u>100,359,487</u></b>	<b><u>99,821,741</u></b>

Operating revenue summary compared to FY23 actuals through March and subsequent three month projection.

# Operating Expense Budget

	FY24 Budget Eastern Division	FY24 Budget Western Division	FY24 Budget Consolidated
Total Salary & Wages	23,804,929	30,222,893	54,027,822
Total Benefits	5,400,009	5,458,030	10,858,039
Total Professional & Contracted Services	1,384,948	1,499,560	2,884,508
Total Training & Development	249,120	269,630	518,750
Total Supplies	3,801,356	5,423,116	9,154,472
Total Repairs & Maintenance	1,546,070	1,735,479	3,281,549
Total Utilities	576,853	703,519	1,280,372
Total Rent	100,859	151,013	251,872
Total Risk Management	1,133,288	1,173,562	2,306,850
Total Public Relations	185,837	201,323	387,160
Total Other Expenses	1,140,945	1,322,153	2,463,098
<b>Total Operating Expenses</b>	<b>39,324,214</b>	<b>48,160,278</b>	<b>87,484,492</b>

Note: \$4.6 million of contract labor in FY24 budget for Western Division

Salary & Wages includes \$4.6 million of contract labor in the Western Division only. Salary & Wages is primarily driven by volume and demand since more than 80% of the compensation budget is for field and Comm Center operations.



# Operating Expense Budget

	FY24 Budget Consolidated	FY23 Projected Consolidated
Total Salary & Wages	54,027,822	57,461,751
Total Benefits	10,858,039	9,776,502
Total Professional & Contracted Services	2,884,508	3,907,010
Total Training & Development	518,750	323,869
Total Supplies	9,224,472	9,077,623
Total Repairs & Maintenance	3,281,549	3,159,740
Total Utilities	1,280,372	1,234,275
Total Rent	251,872	330,013
Total Risk Management	2,306,850	1,938,476
Total Public Relations	387,160	211,199
Total Other Expenses	<u>2,463,098</u>	<u>2,630,859</u>
<b>Total Expense</b>	<b>87,484,492</b>	<b>90,051,317</b>

Operating expenses summarized compared to FY23 actuals through March annualized (three months of projection).



## Compensation

- 32 additional FTEs for field
- 6 additional FTEs for communications
- 5% raise for all field & comm personnel went into effect in February 2023
- 13.5% raise for Logistics personnel went into effect February 2023. Starting pay rate for Logistics staff is now \$15
- 4% for Administrative and Operations Support budgeted for FY2024

Embedded in the compensation budget: additional FTEs to meet demand projections, market adjustments for field and Communications Center personnel, annual raises for administrative and support positions.



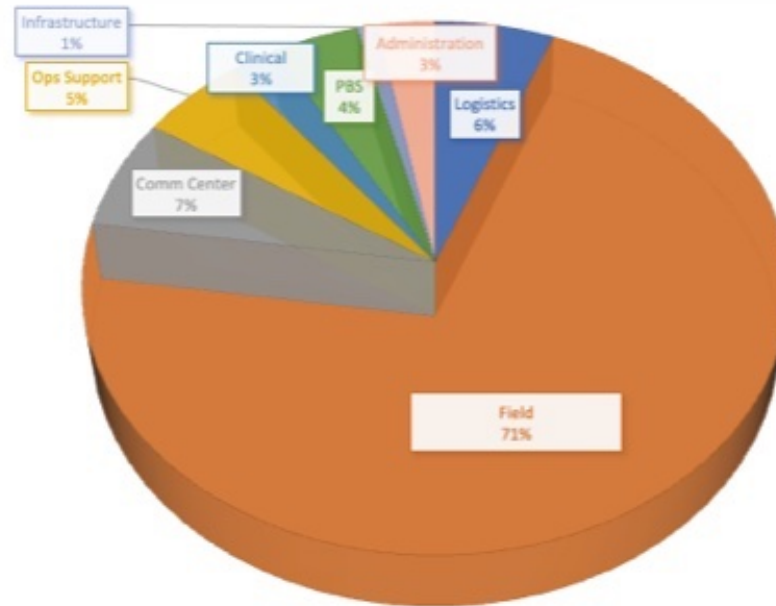
# Compensation Analysis

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	FY24 Budget	FY23 Projected	FY22 Actuals
<b>East</b>			
<b>Total Salary &amp; Wages (w/o Contract Labor)</b>	23,801,569	22,567,632	19,370,839
Transports	96,735	91,341	83,835
Salary & Wages per transport	<b>246</b>	<b>247</b>	<b>231</b>
<b>West</b>			
<b>Total Salary &amp; Wages (w/o Contract Labor)</b>	25,611,253	22,097,595	20,679,502
Transports	108,452	100,918	93,289
Salary & Wages per transport	<b>236</b>	<b>219</b>	<b>222</b>
<b>Consolidated Salary &amp; Wages (w/o Contract Labor)</b>	49,412,822	44,665,226	40,050,342
FTE- Consolidated	666.5	615	558
Salary & Wages per FTE	74,138	72,626	71,775
Benefits	10,858,039	9,776,502	8,850,748
Benefits as % of Salary & Wages	22.0%	21.9%	22.1%

Compensation analysis break down of Salary & Wages (excluding contract labor) per transport and by FTE.

# FY24 Compensation Budget



Compensation Budget breakdown by department: 84% of the FY24 compensation budget is frontline personnel to include field, Comm Center, and logistics team members.

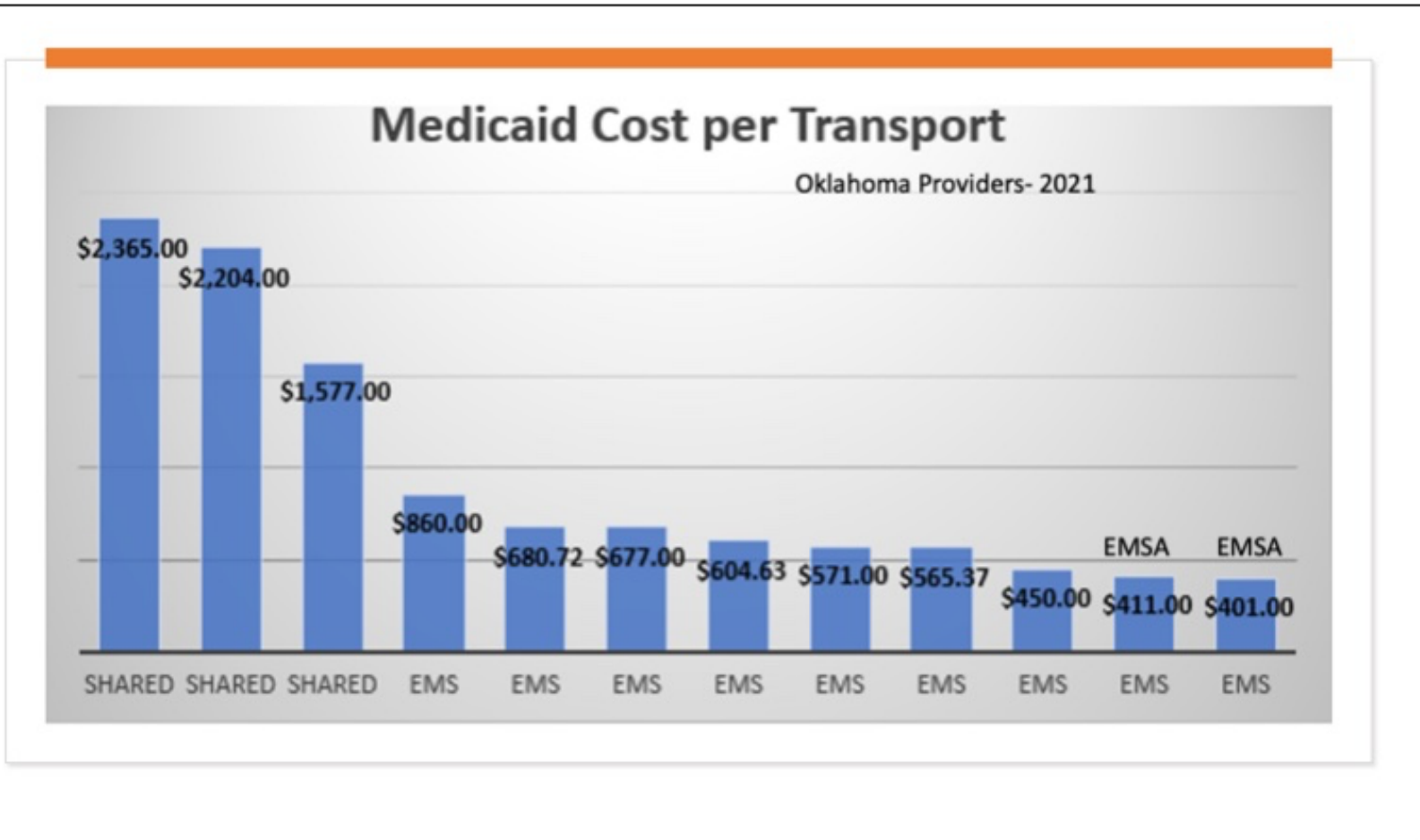


## Operating Expenses per Transport

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	<u>FY24 Budget</u>	<u>FY23 Projected</u>	<u>FY22 Actuals</u>
<b>East</b>			
Medical Supplies Per Transport	23.36	22.76	24.54
Ambulance & Equipment Maintenance Per Transport	9.78	10.37	12.33
<b>Total Operating Expense per Transport</b>	<b>406.51</b>	<b>443.36</b>	<b>397.45</b>
<b>West</b>			
Medical Supplies Per Transport	33.38	33.51	29.98
Ambulance & Equipment Maintenance Per Transport	10.06	10.72	13.06
<b>Total Operating Expense per Transport</b>	<b>444.07</b>	<b>491.04</b>	<b>410.91</b>

FY24 compared to FY22, East operating expenses per transport increased 2% and the West operating expenses per transport increased 8%. The West cost per transport is higher due to utilization of contract labor. Overall, EMSA has been able to keep per transport costs low despite significant increases in labor, supply, and equipment costs.



This benchmark data comes from the Oklahoma Health Care Authority and represents Oklahoma EMS providers cost per transport in 2021 for Medicaid patients. EMSA East & West have the lowest cost per transport in the state for providers participating in the Medicaid CPE program. 2022 data should be released in July of 2023.

# Medicaid Cost Per Transport- National

## ALL PROVIDER STATISTICS

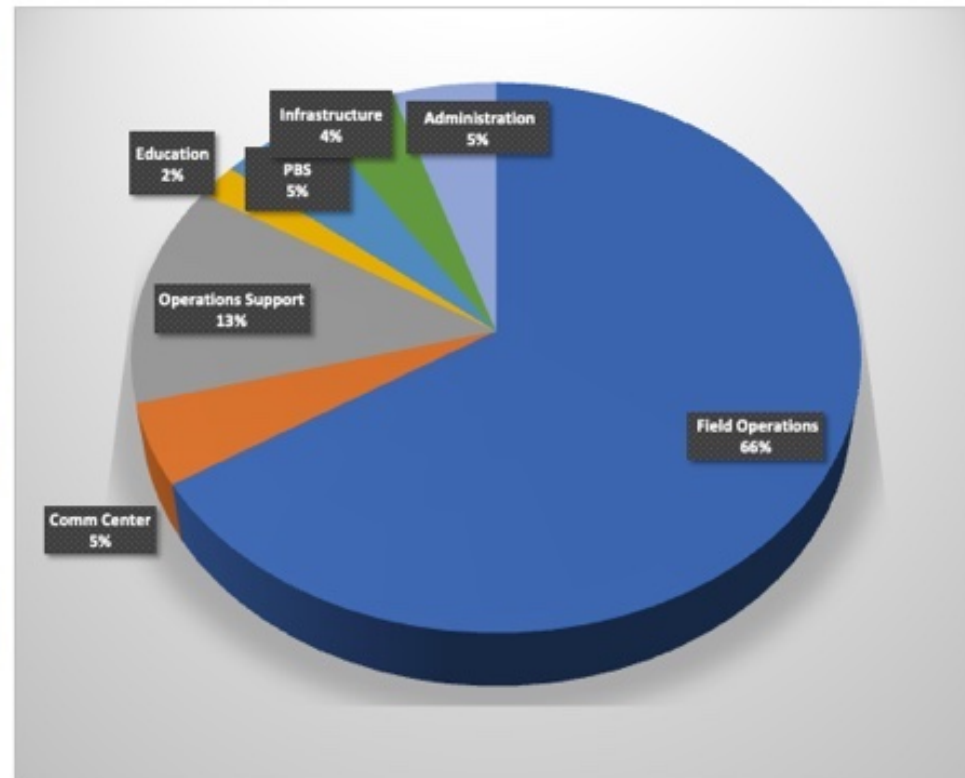
	2019	2020	2021
Provider Count	371	363	385
Average Cost Per Trip Inclusive of Outliers	\$ 2,604.66	\$ 2,866.37	\$ 2,750.40
Average Cost Per Trip - Outliers Removed	\$ 2,132.89	\$ 2,361.06	\$ 2,351.34

## EMS Only Service Providers

	2019	2020	2021
Provider Count	69	63	72
Average Cost Per Trip Inclusive of Outliers	\$ 1,127.47	\$ 1,190.35	\$ 1,242.06
Average Cost Per Trip - Outliers Removed	\$ 975.60	\$ 1,008.59	\$ 1,026.32

The national data above represents three years of cost per transport averages for Medicaid patients with providers participating in a Medicaid CPE Program. Again, EMSA cost per transport is far below nationwide averages.

## FY24 Departmental Budget Distribution



The majority of EMSA's budget is in direct support of field operations. Operations support reflects 13% of our budget and includes the following functions: scheduling, risk & safety, field operations supervisors, etc.



## FY24 Capital Budget

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Ambulances (20 total - 10 per division)	3,480,000
LP-15s (replacing failing gen 1 & 2)	2,046,000
New stretchers	3,540,820
Toughbooks	546,000
Technology Upgrades	600,000
Other equipment	76,000
Facility Improvements	<u>285,000</u>
<b>Total</b>	<b>10,573,820</b>

East & West anticipated consolidated capital budget.

## Capital Objectives:



Limit liability by ensuring all equipment is within manufacturer warranties regarding age



Preventive maintenance guidelines are followed to ensure operational reliability



Efficient utilization of capital funds

- Ambulances- replaced every 5-6 years based on engine hours & mileage (300K), currently behind one replacement cycle.
- LifePaks- expected 7-year life based on manufacturer. Next Gen LifePak will be available late FY24 requiring full system upgrade in FY26.
- Stretchers (cots)- 10-year life- Full replacement in FY24
- Vents- expected 7-year life based on manufacturer- Fully replaced in FY23.
- Cot Power loads- expected 7-year life based on manufacturer. Fully replaced in FY23 & FY24

## Net Income Reconciliation

	FY24 Budget Consolidated	FY23 Projected Consolidated
Total Revenue	100,359,487	99,821,741
Total Expense	87,484,492	90,051,317
Non-Operating Income	116,000	108,791
Depreciation & Interest Expense	<u>(3,044,000)</u>	<u>(2,937,854)</u>
<b>Net Income</b>	<b>9,946,996</b>	<b>6,941,360</b>
Capital Acquisitions	(10,573,820)	(7,798,360)
Debt Service	(722,603)	(706,419)
Add back depreciation (non-cash)	<u>3,000,000</u>	<u>3,119,000</u>
<b>Net Cash Increase (Decrease)</b>	<b>1,650,573</b>	<b>1,555,581</b>

This slide reconciles net income to ending cash position. Although there is over \$9m of net income on a consolidated basis, EMSA also funds capital acquisitions and debt service.

## Additional EMSA funded benefits to EMS Partners

EMSA provides a variety of benefits and services to our EMS partners that are absorbed in the EMSA annual budget to include:

- 1 for 1 supply and pharmaceutical exchange with fire departments
- Volume discounts and preferred pricing through EMSA contracts on EMS equipment
- Internet and data for 10 LP Modems
- ESO for non-transport partners
- EMS education and certification support for EMS partners, including a full-time instructor dedicated to first responder outreach
- Marketing and promotion of EMSAcare program

## FY24 Budget Summary

- We continue to see extreme growth in response and transport volume. Identifying sustainable solutions to meet the pre-hospital healthcare needs of our communities is imperative. We must continue to work with healthcare system partners to identify cost effective and clinically appropriate options for care delivery in our EMS system.
- Reimbursement challenges persist in the EMS industry. With a primary reimbursement system tied to transport there is a significant cost burden related to billing compliance, low reimbursement rates, and unbillable responses.
- EMSA continues to deliver quality clinical care, maintain excellent clinical outcomes, and contain costs to ensure our patients and our communities pay the lowest amount possible.
- Subsidy growth is less than EMSA's CAGR which reinforces EMSA's focus on financial sustainability and stewardship.
- Employing a team of more than 650 individuals, EMSA remains committed to being the standard in the EMS industry and growing EMS as a profession.