

# Richmond Ambulance Authority



PRESENTATION TO CITY COUNCIL'S  
PUBLIC SAFETY STANDING COMMITTEE  
JUNE 28, 2022



# High Performance EMS

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- The Richmond Ambulance Authority was enacted by City Council with the intent to create one of the preeminent EMS systems in the country
- For 30 years RAA has built a national and international reputation for its approach to EMS
- RAA is a member of the Academy of International Mobile Healthcare Integration (AIMHI) representing high performance emergency medical and mobile healthcare providers in the U.S. and abroad
- RAA is one of a handful of EMS agencies recognized as high performance



# High Performance EMS

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- High Performance, High Value EMS
- EMS systems that can effectively leverage cutting-edge technology—paired with people skills and planning—to best serve their patients, employees, and communities.
- Key Components to a HP/HV EMS System
- Clinical Sophistication
- Response Time Reliability
- Economic Efficiency
- Accountability
- AIMHI Bylaws
- Active Member: This class of membership shall be held by any agency that provides HPEMS, defined as:
  - Externally reported performance requirements; and
  - Single-provider system; and
  - Are authorized by local government; and
  - Engage in full-cost reporting.



# Subsidy Requests

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- The City had historically fulfilled RAA's subsidy request until FY 2019:

- FY 2019 Request - \$5.6 million  
FY 2019 Funded - \$5 million
- FY 2020 Request – \$5.6 million  
FY 2020 Funded - \$5 million
- FY 2021 Request - \$6.2 million  
FY 2021 Funded - \$5 million
- FY 2022 Request - \$6.9 million  
FY 2022 Funded - \$4 million
- FY 2023 Initial Request - \$5.9 million  
FY 2023 Adjusted Request - \$7.5 million  
FY 2023 Proposed - \$4 million

**Prior to last year, the last time the City's subsidy contribution to RAA was \$4 million or less was more than 10 years ago (FY '09 - \$3.8 million)**



# Points of Clarification

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- The following information was presented by the City during RAA's budget work session with Council on April 19, 2022
- The information presented appears in white while RAA's clarification appears in **yellow**



# Points of Clarification

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- The government (In this example RAA is the government and these are tasks delegated to the Authority)
  - Contracts for emergency medical services from service provider
  - Controls EMS capital assets and accounts receivable
  - Regulates and oversees system performance (Performed by RAA's Board of Directors)



# Points of Clarification

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- Prior to 2007, the RAA adhered to the PUM model:
  - Provided oversight of their contracted service provider(s)
  - Enforced repercussions for a lack of performance as mutually agreed under the service contract
  - Ultimately, terminated their last contract as a result of a lack of performance regarding response time
- Since 2007: (after severing ties with the Operations Contractor for poor performance):
- RAA serves as both the oversight body and the service provider
  - There is no independent oversight or verifying the data (See slides titled, Oversight & Accountability)
  - There is no independent oversight in granting of exceptions (See slides titled, Oversight & Accountability)



# Oversight and Accountability

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## Oversight

- 11-member Board of Directors
  - Nine members appointed by City Council to include one member of City Council
  - City of Richmond Chief Administrative Officer and Director of Finance serve during the time they hold such offices.
- RAA Bylaws
  - Includes roles and responsibilities of all Officers of the Board and Standing Committees
    - Finance Committee
    - Personnel Committee
    - Operations and Clinical Committee
- Operational Medical Director – Medical Oversight
  - Clinical performance based on evidence-supported practices and outcomes
  - Field provider credentialing
  - Communications Center operations





# Oversight and Accountability

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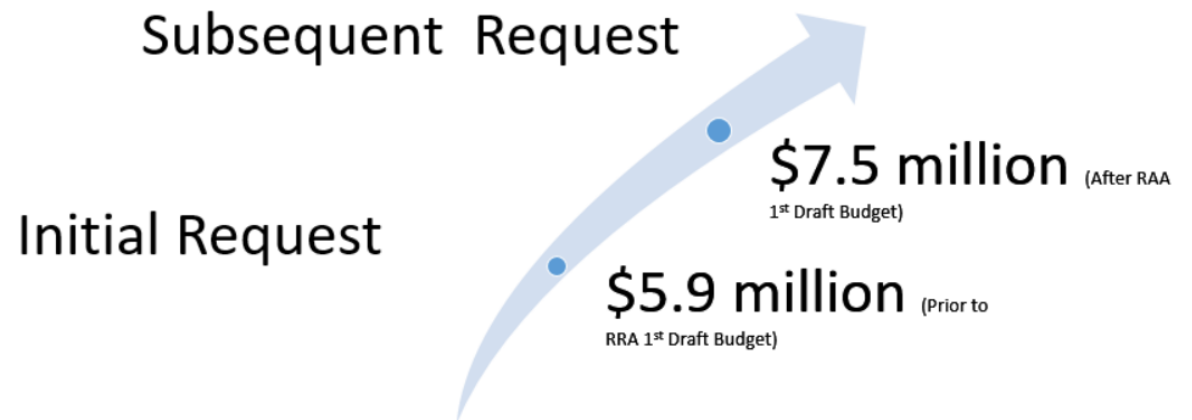
## Accountability

- Monthly and quarterly performance reports provided to all Board members.
- Annual Report provided to the Board of Directors and all Council members. Formally presented to Council's Public Safety Standing Committee (*pursuant to the requirements Richmond City Code Section 2-773; amended by Ordinance No. 2017-143*)
- Audits
  - External financial audits to review and evaluate fiscal year financial statements (*FY2020 audit issued in November 2021*)
  - External clinical documentation audits to review patient care reports (*report issued in February 2022*)
  - External claims reimbursement audits to review Medicare billing practices (*report issued in February 2022*)



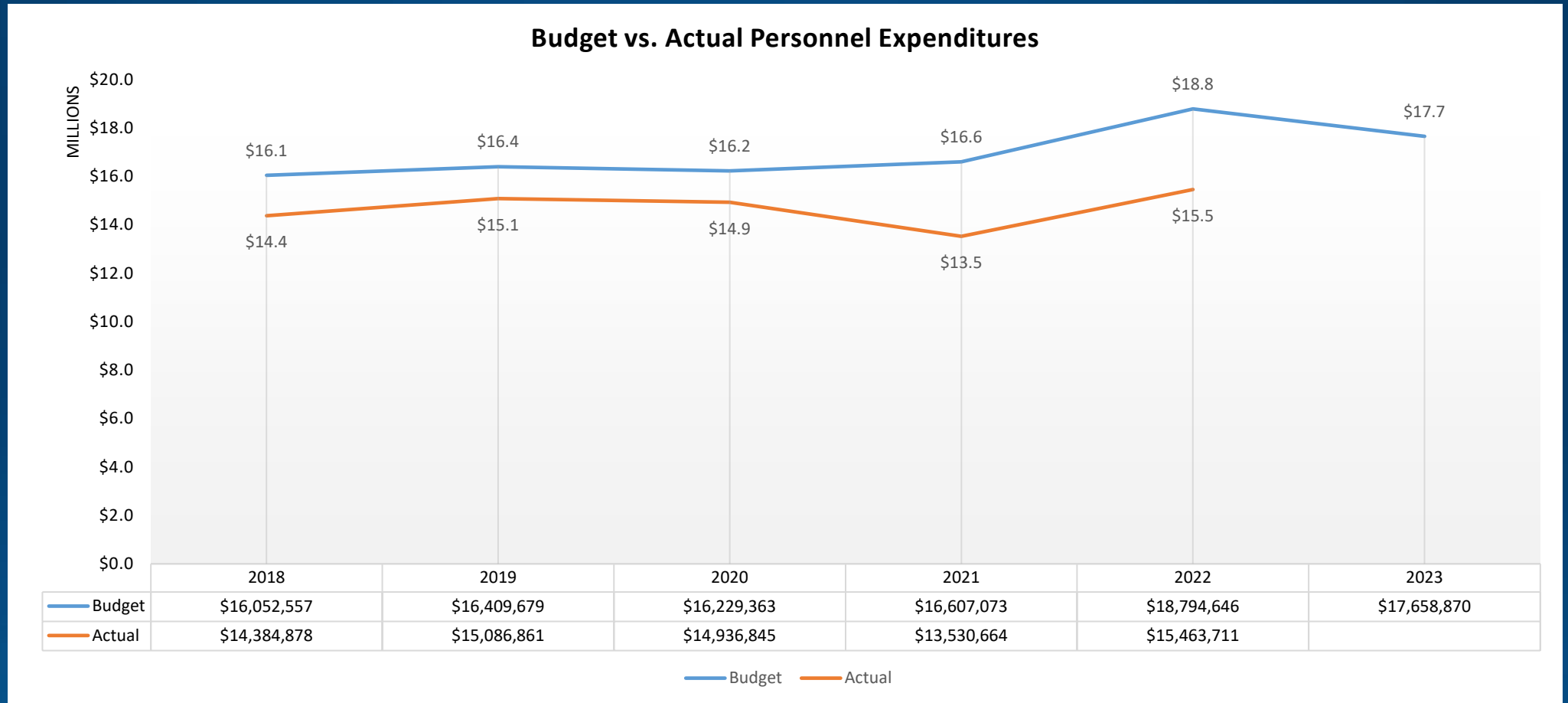
# Points of Clarification

- The subsequent request reflected updated figures due to RAA's revised revenue and expenditure predictions





# Points of Clarification



The graph shows the financial impact the staffing shortage has had on RAA since 2018.



# Points of Clarification

## Collection Rates

Fiscal Year	Colletions
2018	45%
2019	44%
2020	50%
2021	51%
2022*	55%
2023**	47%
Projected*	
Budgeted**	

Source: City RAA Budget Work Session Presentation

Fiscal Year	Collections
2018***	42.72%
2019***	42.63%
2020***	53.49%
2021***	46.80%
Current FY22*	56.56%
2023**	47%
Projected*	
Budgeted**	
Actual ***	

Source: RAA End of FY Financial Statements, FY2022 Through December 2021, FY2023 1<sup>st</sup> Draft Budget Projected



# Points of Clarification

- In previous years, the collection rate has been at or above 50 percent – **see previous slide with actual rates**
- As of January 2022, collections are at ~~54.96~~ **56.56** percent for FY 2022
- Medicare has also recently increased the reimbursement – **only a Consumer Price Index increase, same as other years**
- Given these changes, the FY 2023 is underestimated – **based on actual collection rate of 2021 and next bullet point**
- Since July of 2011 the running collection rate of all category collection through February 28, 2022 is:
  - Gross Charges - \$308,974,889.41
  - Receipts - \$147,553,454.74
  - Collection Rate - 47.76%

Fiscal Year	Net Service Revenues (\$)	Collection Rate (%)
FY 2020 (actual)	15,848,257	<del>50%</del> 53.49%
FY 2021 (actual)	14,233,994	<del>51%</del> 46.80%
FY 2022 (projected)	12,561,093	<del>55%</del> 56.56%
FY 2023 (budget)	12,287,606	47%



# Points of Clarification

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If the collection budget projection was based on actuals, an additional \$2.1 million could be included

- As noted in previous slides, this is the result of collecting bad debt and this collection percentage is not sustainable year to year unless we can increase our non-emergent business.

Collection Rate	Percent increase	Dollar Increase
47%	N/A	N/A
51%	4%	\$1,045,652
55%	8%	\$2,091,304



# Thank You

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- We want to thank City Council and City Administration for the creative approach to fulfill RAA's funding request
- This year's approach is not unprecedented and has benefitted the City in the past
  - In 2014 RAA received less subsidy so the City could keep more money in its general fund
  - The shortfall was made up with the purchase of communication equipment purchased by the City