

Richmond Ambulance Authority



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



High Performance EMS

- 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

- **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

- 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

- 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

- 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

- 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

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

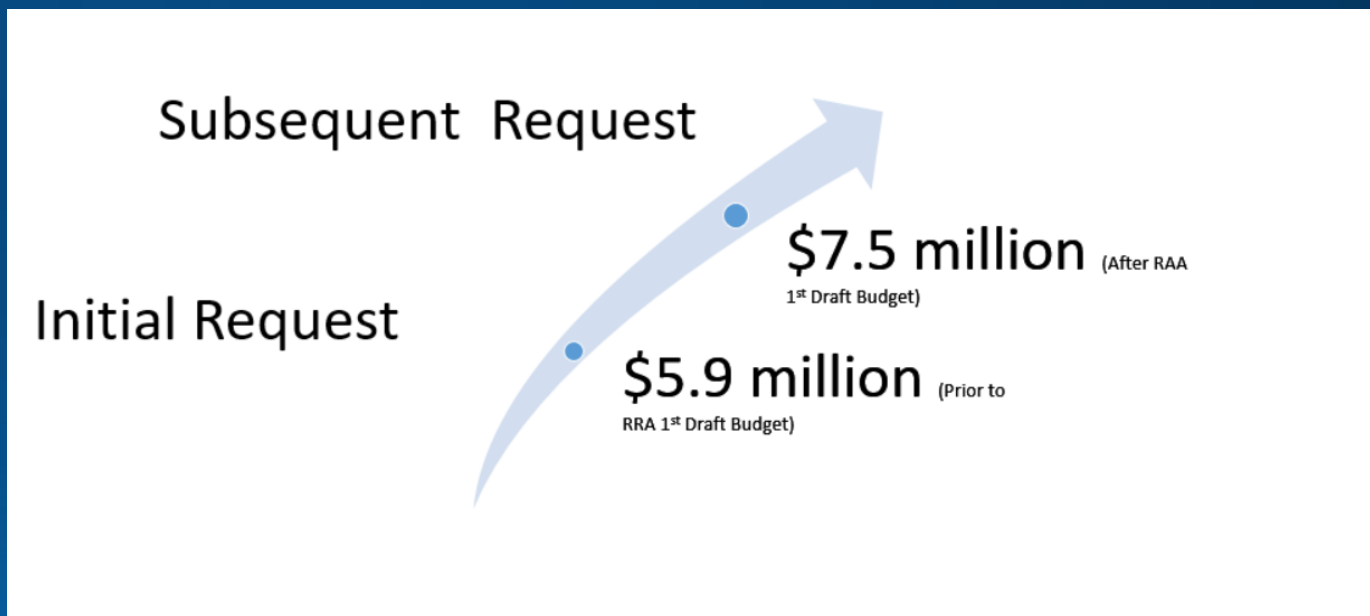
Accountability

- 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*)



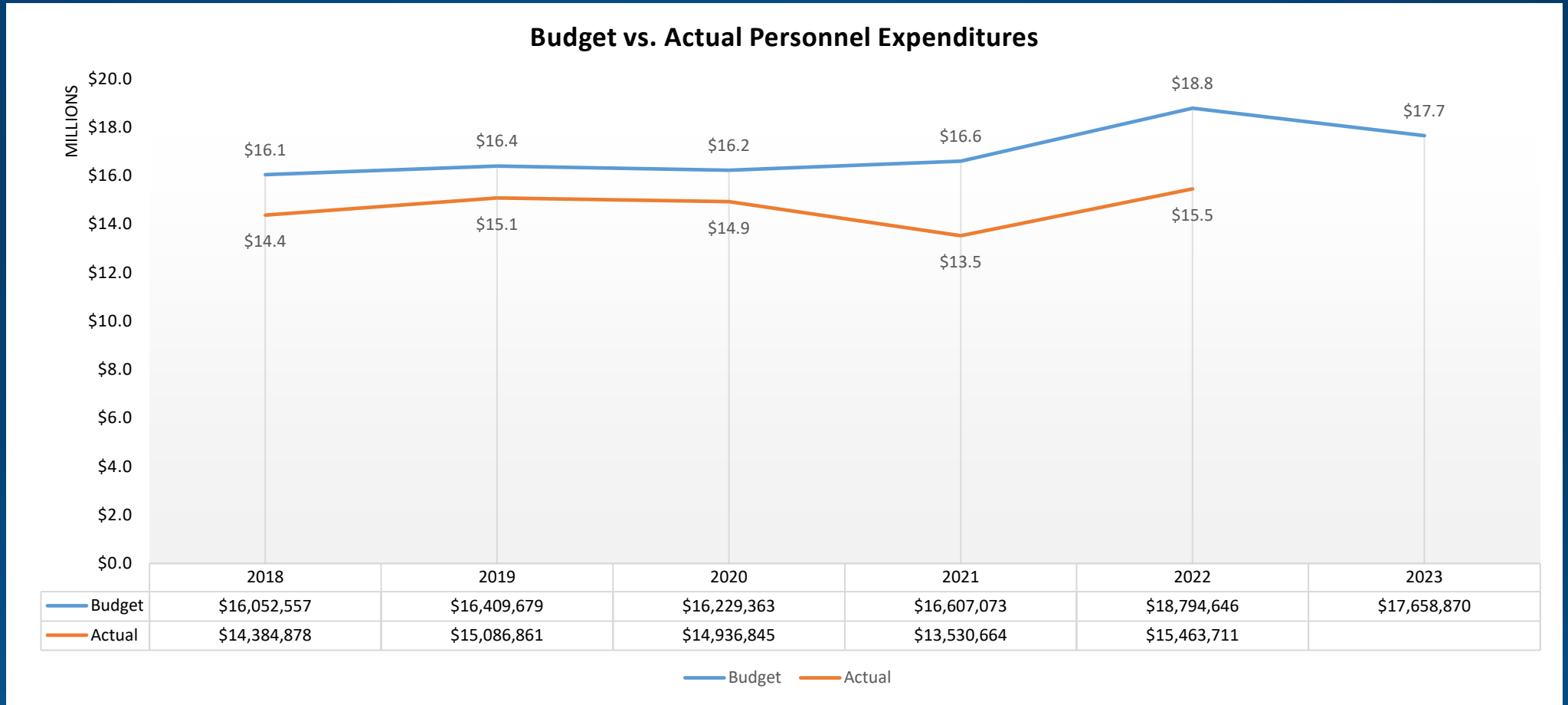
Points of Clarification

- 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 1st 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	50% 53.49%
FY 2021 (actual)	14,233,994	51% 46.80%
FY 2022 (projected)	12,561,093	55% 56.56%
FY 2023 (budget)	12,287,606	47%



Points of Clarification

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

- 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