

**TOWN OF BARRE  
PROPOSAL  
FOR  
TOWN OF BERLIN EMERGENCY MEDICAL SERVICES**

**1. PROJECT PROPOSAL; GENERAL TERMS OF CONTRACT**

The Town of Barre, Vermont, Department of Emergency Medical Services (BTEMS) proposes the following terms of service to the Town of Berlin and its citizens:

Services

1. BTEMS will respond to any and all requests for emergency medical service, and emergent and non-emergent inter-facility transfers originating in the Town of Berlin. BTEMS will respond to all requests for service with properly trained, equipped, and licensed crews to assist, treat, and transport all patients in accordance with professional, hospital, Vermont EMS District 6, BTEMS and mutual aid protocols and procedures.
2. BTEMS will establish full-time coverage from two stations, twenty-four (24) hours per day, seven (7) days per week. These stations will be located in East Barre (Route 302) and Berlin (Paine Turnpike North at the Four Corners station of BVFD), assuming acceptable rent agreement with the BVFD is continued.

Term

This contract shall become effective July 1, 2010 and shall continue in force and effect until June 30, 2013, unless otherwise terminated as provided herein.

Patient Billing

BTEMS agrees to bill all patients and/or their insurance carriers, both public and private, directly for services provided, and to accept payment for such services as required by law. Patient billing shall be in conformance with a uniform billing rate system which may be amended by BTEMS without prior notice. Any patient accounts or account balances which remain unpaid, but are deemed collectible by law, for a period of 90 days after the original billing date shall be deemed delinquent.

### Contract Subsidy

1. The Town of Berlin agrees to pay to BTEMS an annual fee based upon 7/8 of the population of Berlin, multiplied by a per capita rate established by BTEMS.
2. BTEMS has established that the per capita rate shall not exceed:
  - a. July 1, 2010 B June 30, 2011: \$23.00 per capita
  - b. July 1, 2011 B June 30, 2012: \$23.90 per capita
  - c. July 1, 2012 B June 30, 2013: \$24.80 per capita
3. The population of the Town of Berlin shall be determined each year based upon the most current figures as released by either the United States Census Bureau or the State of Vermont Department of Health.
4. Payment arrangements will be negotiated during the first month of the fiscal year.
5. The estimated maximum per capita rates listed in Section 2, above, have been calculated to the best ability of BTEMS. However, the actual rates may exceed those estimates in the event of extraordinary, unforeseeable circumstances such as, but not limited to, decrease in billable call volume, changes in Federal and State laws and/or regulations regarding health care payments, health insurance premiums, the price of vehicle fuel, government regulations that effect the cost of operating BTEMS, or other towns terminating its contract with BTEMS. Should the Town of Barre decide it needs to raise the per capita rates above the dollar amounts stated in Section 2, Barre Town will give the customer towns a written explanation for the added per capita rate and will offer to meet with the Berlin Selectboard.

### Termination

BTEMS may cancel this contract for failure of the Town of Berlin to make timely payment on the contract subsidy in accordance with this contract except that BTEMS shall first give thirty (30) days advance written notice of its intention to terminate, and the Town of Berlin may bring current any outstanding amounts due during such 30-day period.

### Obligations of Town of Berlin

1. The Town of Berlin shall assist BTEMS in keeping its E911 maps current by informing BTEMS of all new street name changes and major developments such as new or expanded residential developments, new school buildings, shopping centers, etc.
2. The Town of Berlin shall inform BTEMS of any anticipated event or festival which might have an impact on the demand for services from BTEMS.

## **2. CONTACT FOR MORE INFORMATION**

For more information about Barre Town EMS and this proposal, contact Director David Jennings at 476-3147.

## **3. PROPOSED COST; CALCULATION**

The Town of Barre proposes a maximum annual per capita rate. These maximum annual per capita rates would not be exceeded unless Barre Town experiences one or a combination of the following:

1. a decrease of 10% or more in billable calls.
2. large increases in the cost of vehicle fuel.
3. large increases (greater than 12%) in annual health insurance premiums.
4. Federal or State government changes in Medicare and/or Medicaid rate structures or billable services.
5. other customer town(s) discontinue BTEMS service.

Berlin=s annual cost would be determined by calculating the service population and multiplying it by the annual per capita rate. It is assumed the Riverton section of Berlin is home to 1/8 of Berlin=s population; therefore, Barre Town would bill Berlin for 7/8 of Berlin=s population. Currently, Barre Town is using the Vermont Department of Health=s 2008 population estimate. It is projected the 2010 U.S. Census figures will be available for the 2011-2012 fiscal year. The annual per capita rate will be set each year in February as Barre Town prepares its budgets for the upcoming fiscal year.

The maximum annual per capita rates are:

Year 1, 2010-2011	-	\$23.00
Year 2, 2011-2012	-	\$23.90
Year 3, 2012-2013	-	\$24.80

Barre Town=s 2009-2010 Ambulance Fund budget is the basis for developing the rates. Based on experience, equipment needs, call history, and the union labor

contract, the revenues and expenses for the next three years are projected. Operating expenses always exceed operating revenue. The per capita rate charge makes up the difference and, hopefully, produces a balanced Ambulance Fund budget.

The illustration below summarizes the annual cost methodology:

---

\$ Annual Operating Expenses	-	\$ Annual Operating Revenue	=	\$ Subsidy Needed
\$ Subsidy Needed	)	Service Territory Population	=	\$ Per Capita Rate
\$ Per Capita Rate	x	Town=s Population	=	Annual Cost For Town

---

#### **4. ESTIMATED NUMBER OF SERVICE RUNS IN BERLIN ANNUALLY**

Annual run volume in Berlin has varied significantly the last 5 years, increasing and decreasing differently in all three categories. Future run volume changes will be based on changes in population, new skilled nursing facilities (SNF), or treatment services outsourcing by CVMC. Annual run volume is expected to follow the average of the past 5 years, unless any of the aforementioned changes were to occur.

Annual EMS calls for service (CFS) for the Berlin service area from FY 2005 through 2009 are shown below:

<u>FYE</u>	<u>911</u>	<u>TX</u>	<u>CCT</u>	=	<u>TOTAL</u>
2005	526	1101	343	=	1,970
2006	570	969	425	=	1,964
2007	617	946	304	=	1,867
2008	631	1106	242	=	1,979
<u>2009</u>	<u>604</u>	<u>1102</u>	<u>353</u>	=	<u>2,059</u>
Ave.:	590	1045	333	=	1,968

It is estimated the annual number of service runs in Berlin will be very close to 1,975 during the next 3 years unless any of the changes noted in the first paragraph occur.

911 reimbursement will require a downward adjustment of billable calls due to an average average transport rate of 30%.

## **5. RESPONSIBILITY FOR EMS BUDGETING AND ACCOUNTING; AGENCY EMS COSTS**

The Town of Barre owns Barre Town EMS. The budget for Barre Town EMS is known as the Ambulance Fund budget. The Town of Barre is responsible for Ambulance Fund budgeting and accounting.

The Ambulance Fund budget is prepared like all other budgets. The department head (EMS Director) gives the Town Manager budget requests and recommendations. The Manager prepares a budget and submits it to the town's Budget Committee for review. The Selectboard and Budget Committee makes the final decision for setting the Ambulance Fund budget.

Accounting work is performed by the Clerk-Treasurer's Office and Town Manager's Office. The Clerk-Treasurer's Office receives payments, prints accounts payable checks, and performs bank and cash reconciliations. The Town Manager's Office prepares payroll, administers employee benefit programs, performs accounts payable work, and bills the customer towns. The Manager's Office also handles competitive bidding of ambulances, arranges financing, and handles insurance and personnel matters.

Barre Town does not charge the Ambulance Fund for the Selectboard's nor the Town Clerk-Treasurer's time. To compensate for the Town Manager's Office services, 25% of the bookkeeper's salary and benefits are charged to the Ambulance Fund. For fiscal year 2009-2010, those expenses are budgeted at \$12,060. In addition, Barre Town charges 10% of its audit fees to the Ambulance Fund (estimated to be \$2,100 for 2010-2011) plus \$2,000 for accounting assistance and payroll services. The estimated FY 2010-2011 Ambulance Fund budget totals \$1,479,967. The \$16,160 (\$12,060 + 2,100 + 2,000) represents 1.09% of the total budget.

If the Berlin Selectboard would like to examine Barre Town's Ambulance Fund budget, contact David Jennings at 476-3147. Copies will be made available quickly.

## **6. BILLING PROCEDURES**

Billing begins with the EMT=s submitting patient care reports (PCR) to the Barre Town EMS (BTEMS) office in East Barre. These PCR=s are copied and mailed to EMS Billing Solutions (EBS) in Claremont, NH, weekly. EBS is the contracted billing service for BTEMS.

The staff will collect insurance/billing information from the patient or the family, if possible. The insurance information is recorded on the PCR. EBS will bill the appropriate insurance carrier first, when that information is available. By contract, EBS submits a bill to the insurance carrier within 24 hours of receiving the PCR. If no insurance information is available, EBS bills the patient. When the Insurer pays the bill, less any deductible, the patient is responsible for the balance of the bill and will be invoiced accordingly by EBS.

BTEMS must accept Medicaid assignment and its allowance, and cannot bill the patient for any balance of the fee for service. Medicare recipients are billed any co-pay or deductible allowed by Medicare. BTEMS has a published fee schedule (see attachment #1) that is approved annually by the Barre Town Selectboard. EBS bills per the Barre Town approved fee schedule.

Uninsured Berlin residents will receive a bill via the U.S. Postal Service. Medicare, Medicaid, and most other insurers are billed electronically. Insurers and patients remit payment to the Barre Town Clerk-Treasurer=s Office. The Town Clerk-Treasurer notifies EBS of payments received. EBS records that payment data in the patient=s billing record.

## **7. REVENUES AND SOURCES**

The revenue side of the Barre Town Ambulance Fund budget has twelve accounts. The three largest revenue accounts make up all but \$13,525 of the estimated \$1,479,967 budget. The largest revenue account is labeled Public Insurances, which are Medicare and Medicaid. Medicare comprises about 90% of the public insurance revenue, or estimated \$477,449 for FY 10-11. Medicare insures the elderly; Medicaid insures the economic disadvantaged. Medicare revenue greatly exceeds Medicaid because the elderly require medical services far more often than the poor and because Medicare pays about three times as much for the same services.

The second largest revenue account is labeled Private Insurances & Self-Pays. Payments for services from self-insured (un-insured) individuals and from

insurance companies are deposited to this revenue account. For FY 10-11, the estimated budget amount is \$413,308.

The third largest account is Town Contracts (Subsidy). The per capita fee charges are credited to this account. For FY 2010-2011, the account budget is estimated to be \$484,480. The Vermont Department of Health 2008 population estimates are used to determine the service territory population. The estimated population of each town is:

Barre Town YYYYYYYYY.....	8,005
Town of Orange YYYYYY....	961
Town of Washington YYYYY..	1,095
Town of Topsham YYY.....	1,135
Town of Berlin (7/8 of 2822)Y	2,469
Town of Plainfield YYYYYY.	<u>1,339</u>
	15,004

**8. THREE-YEAR PROJECTION OF REVENUE AND EXPENSES**

An Ambulance Fund budget for 2010-2011 was estimated to prepare this proposal. Some firm numbers are available now. As more definite information is received, the 2010-2011 budget will be refined. The estimated 2010-2011 budget for this proposal is \$1,479,967. Projecting an exact budget that will start 18 months and another starting 30 months from now is not possible. Wages are more than half the budget. The union contract sets out full-time pay raises for the second and third year of this proposal, but call volume also impacts wages paid. Health insurance, worker=s compensation insurance, and vehicle operation expenses are major expenses. Health insurance premiums, worker=s comp experience ratings, and diesel fuel prices are volatile. The projections for the second and third years are based on our best assumptions for these major expense items:

<u>Year</u>	<u>Revenues</u>	<u>Expenses</u>
Year 2	\$1,534,102	\$1,534,102
Year 3	\$1,594,489	\$1,594,489

**9. BTEMS STAFFING LEVELS AND AGENCY CERTIFICATION**

Barre Town EMS is licensed at the paramedic level by the Vermont Department of Health, Office of EMS.

Barre Town employs 12 full-time employees: 6 Critical Care Paramedic EMT=s and 6 Advanced EMT=s. Full-time staff work 24 hours on a shift and then have 48 hours off. There are six 2-person teams consisting of an advanced EMT and paramedic EMT. Three teams are assigned to each station which are located on Route 302 in East Barre and the Berlin Fire Department Four Corners Station on Paine Turnpike North. A third ambulance is staffed at the advanced life support level utilizing part-time advanced EMT=s and paramedic EMT=s from 9 a.m. to 5

p.m., Monday through Friday. The third crew is part of a rotation with the two full-time crews, and calls for service are assigned according to the availability of any of the three crews. The ALS status of all three crews permits any crew to handle any type of call from non-emergency transfer to critical care transport. There are approximately 15 part-time employees certified at the Advanced EMT level and 3 licensed at Paramedic EMT level. Part-time employees provide emergency coverage when the on-shift crews are on calls. The part-time staff also fill openings in full-time shifts and perform long-distance transfers.

Barre Town EMS is led by a full-time Director with 34 years of experience in EMS, including 17 years in EMS management.

## **10. OUTLINE OF STAFFING SCHEDULES**

East Barre Station (Route 302): 24-hour ALS\* crew, 7 a.m. to 7 a.m., Monday-Sunday.

Berlin Station (Paine Turnpike North): 24-hour ALS crew. 7 a.m. to 7 a.m., Monday-Sunday.

Auxiliary (Third) Crew: 8-hour ALS crew, 9 a.m. to 5 p.m., Monday-Friday.

Coverage (Fourth/Fifth - if required) Crew: On call 7 a.m. to 11 p.m., Monday-Sunday.

*\*ALS: Advanced Life Support (Paramedic & Intermediate >03)*

## **11. EMS EQUIPMENT & VEHICLES: LIST AND COSTS**

BTEMS maintains a fleet of five (5) 2006 Ford E-450 Super Duty advanced life support (ALS) ambulances. Equipped with radios, each ambulance cost \$72,200. Each ambulance is identically equipped and stocked, and capable of treating a minimum of three ALS patients before re-supply is required. The department also maintains a seven-day quantity of consumable medical supplies and equipment at the East Barre station. In addition, a multi-casualty trailer -- capable of treating 75 adults and 50 pediatric trauma patients -- is housed at the East Barre fire station, and would be used to re-supply ambulances in the field and/or positioned on-scene for mass casualty incidents.

Durable Medical Equipment/per Ambulance YYYYYYYY\$30,905

PhysioControl LP12 Defibrillator (6) 2002-2008

Parapac Ventilator (6) 2005-2007

Braun I.V. Syringe Pump (3) 2003 (2) 2006

Multi-Port Oxygen Manifold (5) 2005-2006

Electric Portable Suction (6) 2003-2008  
Pulse Oximeter (6) 2003-2007  
Stryker MX-Pro Cot (5) 2006  
Oxygen Regulators (19) 2002-2009  
CPAP Respirators (5) 2010

Medical Bags/per Ambulance YYYYYYYYYYYYYY\$ 2,485

Trauma Bag (6) 2006  
First-In (Medical) Bag (6) 2006  
Pediatric (Medical) Bag }  
Paramedic Bag }  
Drug Box (30+ Meds) } (3) 2003 (3) 2004-2006  
Intubation Kit }  
Burn Kit }

Immobilization Equipment/per Ambulance YYYYYYYY..\$ 3,415

Backboards/Straps }  
Kendrick Boards } Replaced/added on 2-year schedule  
Vacuum Splint Kit } beginning 2006  
Traction Splint }  
Scoop Stretcher (2) 2004 (2) 2006 (2) 2008  
Folding Stretcher (2) 2004 (2) 2006 (2) 2008

Station Supplies & Equipment YYYYYYYYYYYYYY..\$ 9,925

Mobile Radios (6) 2006 (Narrow Band)  
Portable Radios (7) 2005 (Narrow Band)  
Pagers Minitor III, IV, V (31) 1999-2008; (5) replaced annually; (26) Minitor V  
scheduled for 2010 (Narrow Band)  
Radio/Medical Equipment Chargers  
Oxygen Tank Storage (32 cyl.)

Summary of BTEMS equipment is:

Vehicles/Radios B 5 @ \$72,200	=	\$361,000
Equipment/Supplies B 5 @ \$36,805	=	184,025
Station Supplies/Equipment	=	<u>9,925</u>
TOTAL	=	\$554,950

**12. INSURANCE CERTIFICATE**

A certificate of insurance is attached (attachment #2).

