



Ground Ambulance & Patient Billing Advisory Committee

Public/Private Partnerships



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Public/Private Partnership-EMS Evolution



Jack Stout

- Evolution of these types of EMS services
 - Developed in the early 1980's in the US and Canada
 - Economist Jack Stout developed this model and their nickname became Public Utility Models or "PUMs" in the EMS industry
 - The theory was that EMS could be considered like a "utility" like electricity, when you need it, you call for service and an ambulance would timely arrive without regard to who it was, price, or level of service
 - And there would be local "public" regulation to guarantee that the above items would be timely, priced accordingly, and at the paramedic level
 - Regardless of provider type(private, non-profit, hospital, etc.)

PUM Characteristics

- Measurement of EMS Performance
- Response Time Compliance
- Clinical Performance
- Defined Rate Structure
- Possible Level of Subsidy
- Public EMS Authority

Original PUMs in North America

PUMS by type

- EMSA (Tulsa and Oklahoma City, OK)
- MAST (Kansas City, MO)
 - (no longer in operation)
- TRAA (Fort Wayne, IN)
- Sunstar Paramedics (Pinellas County, FL)
- MedStar (Fort Worth, TX)
- RAA (Richmond, VA)
- EHS (Province of Nova Scotia, Canada)
- REMSA (Reno, NV)

EMS agencies that have similar PUM traits

- MEDIC EMS (Davenport, IA)
- MEMS (Little Rock, AR)
- MEDIC (Charlotte, NC)
- Northwell (Syosset, NY)
- Medic Ambulance (Vallejo, CA)

First Main Component- Physician Participation

- Public Physician Board
 - Physician Board from Community
 - Develop and Administrate Medical Protocol
 - Review Clinical Performance
 - Oversight of EMS providers
 - Medical Control

Second Main Component- Public Board of Directors- Oversight of PUM Authority

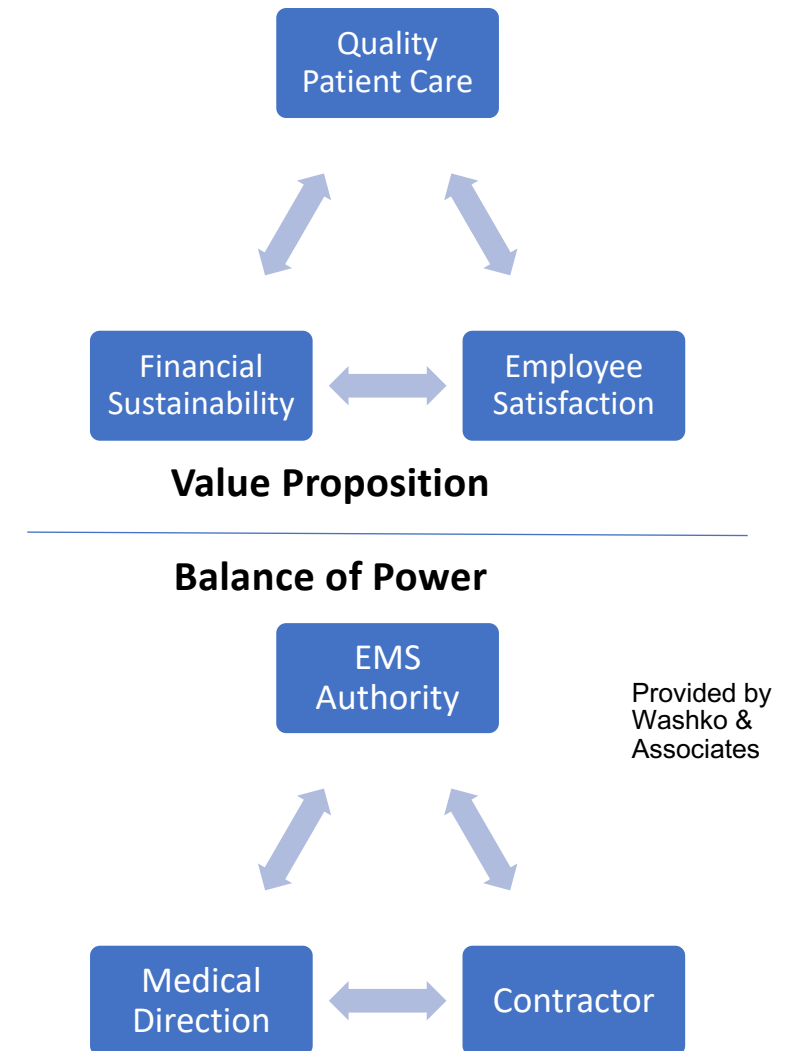
- Public Board of Director-EMS
 - Board Leaders would include:
 - Local Physicians, Hospital Administrators, Business Leaders, Finance Leaders, Legal Advisors, & Consumers
 - Oversight of all EMS operations
 - Sets rate structure for local service
 - Includes contracting for insurance reimbursement
 - Maintains oversight of financial strength of PUM

Third Main Component-Private contractor for EMS operations

- Private contractor as sub-contractor for EMS operations
 - Request for Proposals(RFP) let by EMS Authority to choose private contractor brings in maximum value
 - Contractor can bring economies of scale in an Emergency and Non-Emergency operation(medical supplies, vehicle parts, etc.)
 - Contractor can bring capital for ambulances and medical equipment

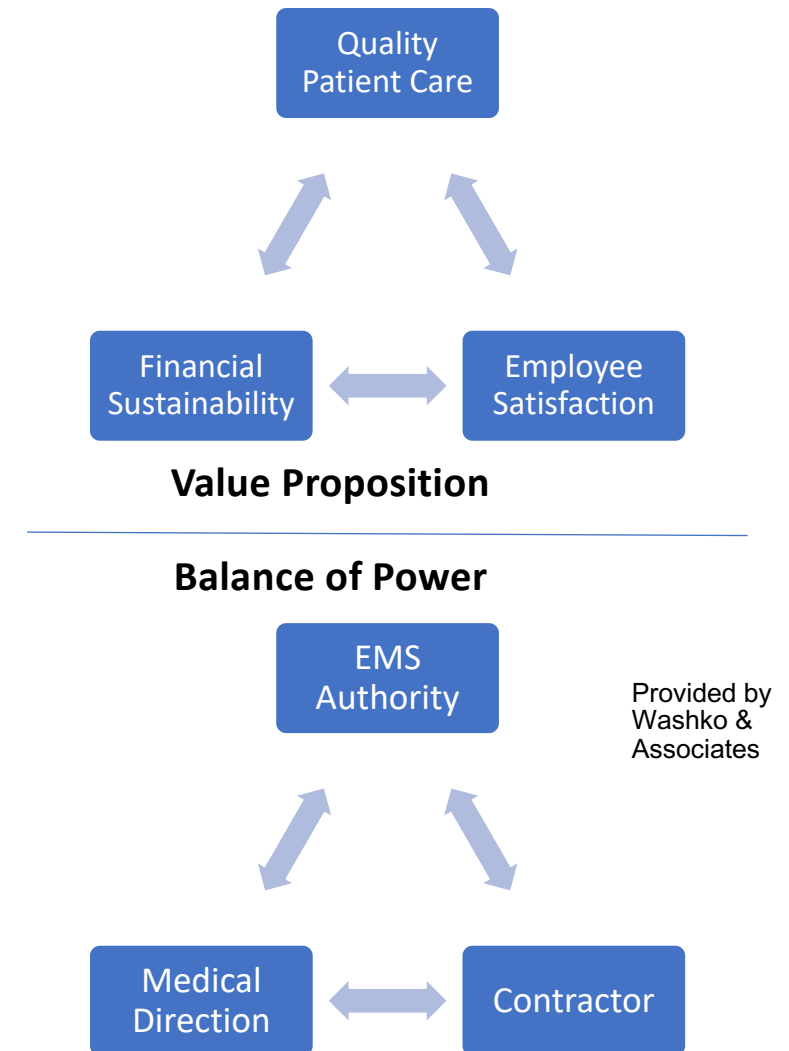
Understanding the Public Utility Model (PUM) (1 of 2)

- Why EMS PUM's Exist
- EMS market fragmentation within a geographic boundary often creates financial inefficacy and variability in services, care and quality outcomes
- Utility market conditions and economics exist in EMS: geographically bound, common delivery infrastructure, service reliability, rate control, demand not directly influenced by quantity or price
- Primary financing mechanism for EMS is insurance-based user fees that do not fully cover the cost of care. Marketplace revenues are mostly fixed and are split between competitors causing diseconomies of scale and ineffective and inefficient service



Understanding the Public Utility Model (PUM) (2 of 2)

- The PUM is designed to treat EMS like a public utility and uses performance-based contracting in competition for the market vs. within the market to drive desired outcomes and provides anti-trust protection
- Most PUMs own the infrastructure and manage A/R with a subcontractor providing operations under a risk corridor-based performance reimbursement model
- Many PUMs have taken over the Contractor role due to market consolidation creating less choice and use market surveys to determine value vs. tender based contracting



Characteristics that Safe Guard PUM

- An Authority body (overseen by public board) keeps all contractors in compliance
- Contractors are required to submit a bond or letter of credit in case of default
- Ambulances are secured by contract in case a default occurs, Authority is allowed access to these and all other EMS hardware to be able to perform EMS functions if necessary
- Revenue is billed/collected by Authority
- Most PUM service areas are exclusive to the EMS agency, which provides adequate resources for all EMS transports

PUM Components have been Adopted by all Types of EMS Providers

- Measurement of EMS clinical and operational performance
- Outside physician oversight
- Response time compliance
- Peak load staffing
 - Higher day time coverage than night time coverage
- Smaller vehicles for urban responses
- 12 hour shifts

PUM Financial Facts to Consider

- Rate structure is determined locally by PUM Board which could be local County/City Commissions
- Rate structures appear to be lower than other types of models
- Membership plans are optional however not a large revenue source
- Patients receive the ambulance bill from the PUM Authority
- The EMS Private Contractor is paid for all transports, at a lessor rate than charged by the PUM Authority, regardless of the ability of patient to pay

Questions

- Presenter Information
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