



# Inter-Departmental Communication

DATE: September 4, 2003

TO: Jim Rowland, Chair, Budget and Audit Committee

FROM: Mark Funkhouser, City Auditor

SUBJECT: MAST Work Sessions

We recommended in our July 2003 performance audit, *MAST Financial Viability*, that the Health Director provide the City Council with information necessary to evaluate options for providing ambulance service and help develop a structured process to facilitate decision making. In the text of the report we say that the Council should have sufficient time and information to make the decision in an open, public forum. The purpose of this memo is to respond to your request for ideas about how to structure such a process.

We reported in the audit that MAST is not financially viable. MAST's financial position was weak throughout the period we reviewed (fiscal years 1997 through 2003). The federal government started reducing Medicare reimbursement rates in April 2002. Reductions will continue to be phased-in through 2007, contributing to MAST's poor financial outlook. MAST's management and board appear to have tacitly rejected the public utility model as currently implemented by ordinance. MAST has taken over operating the system – allowed by current ordinance in cases of emergency and for periods not to exceed 12 months – but has expressed interest in directly operating the system for longer.

The City Council needs to decide whether or not to change the ambulance ordinance, and if so, what changes to make. In order to do this, the Council needs to set up a process that both provides for gathering information and facilitates decision making. Because provision of ambulance service has been controversial in the past, we recommend the Council separate information-gathering from advocacy to the extent possible by establishing distinct phases to hear from stakeholders, gather information, and deliberate options. In order to meet the Council's needs as well as those of stakeholders and the public, the process should be transparent, understandable and focused, with clear ground rules about the purpose of each meeting. Stakeholders should be encouraged to share their opinions and concerns with Council members in open, public meetings rather than in private.

You have already scheduled two work sessions for joint meetings between the Council's Budget and Audit and Neighborhood Development and Housing committees. We agree that joint meetings of these committees are an appropriate forum to consider

how ambulance service should be provided and funded. The work sessions should be structured to separately consider short-term and long-term service delivery issues. The Council has already dealt with the immediate crisis by amending the city's contract with MAST and appropriating additional funds. The Council may need to consider whether to allow MAST additional time to secure an operator.

We recommend that the work sessions focus predominantly on long-term service delivery issues. In considering how the city should structure its ambulance service, the Council should separate evaluation of models of service delivery from evaluation of management's performance. While our recent audit was critical of MAST management, our January 2000 performance audit, *Emergency Medical Services System*, supported the public utility model.

**Establish ground rules.** We suggest that the committee review background information about the EMS system in the first work session, including our previous audit work and changes to the ordinance. The next work session could be used to set ground rules for hearing from stakeholders.

September 18 Bill Geary to present history of the EMS system and changes to the ambulance ordinance; Mark Funkhouser to present review of previous audits on EMS.

September 25 Work session with staff to identify stakeholders and set timetable and ground rules for hearings.

**Hear from Stakeholders.** The committee should schedule sessions to publicly hear from stakeholders including:

- MAST Board and management
- Emergency Physician's Advisory Board (EPAB)
- Emergency Medical Services Advisory Committee (EMSAC)
- Union representatives (Local I-34, Local 42, Local 3808)
- Fire management
- Health Department
- EPI management or potential service providers
- City Manager (or budget or finance designee)

**Gather Information.** The Health Director has drafted a request for proposals to hire a contractor to evaluate the city's emergency medical services system and other potential models of service delivery. (The draft scope of work is attached). The committee should schedule one or more sessions to publicly hear from the consultant.

**Frame specific questions for deliberation.** Once the committee has heard from stakeholders and received information from the Health Department's consultant, the committee should decide specifically what decisions the Council needs to make and whether they have enough information to make decisions. The committee should request

staff obtain additional information as needed. For example, it may be helpful to talk to service providers in other areas. Jerry Overton is the executive director of the ambulance authority in Richmond, VA. He was formerly executive director of MAST, has conducted several market studies for MAST, and is the president of the American Ambulance Association.

We hope these suggestions are helpful. Please let me know if you have any questions.

cc: Mayor Kay Barnes  
Members of the City Council  
Wayne Cauthen, City Manager

DRAFT SCOPE OF WORK:

Contractor will do the following under this contract: The City of Kansas City, Missouri, is seeking an analysis of the current emergency medical services system, a Public Utility Model (PUM), and any other models that would meet community needs, including achieving established response times and ensuring the highest quality of pre-hospital emergency care delivered to all citizens in an equitable manner. Contractor will perform the following:

A. Coordinate and meet frequently with the Emergency Medical Services Advisory Committee (EMSAC) and other stakeholders to evaluate the current system and determine:

- (1) Is the current level of financial support provided by the City of Kansas City, Missouri adequate to maintain the current level of service and patient care?
  - (a) What, if any, opportunities exist to maximize resources and/or achieve cost reductions in the current model (e.g., service reduction, access control, etc.)?
- (2) Is there a more efficient EMS model that would be affordable for the City of Kansas City, Missouri? For each alternative provided, include the following information:
  - (a) the advantages and disadvantages in comparison to the current model and a true PUM
  - (b) the resources needed by the City to properly monitor the system
  - (c) estimated annual costs
  - (d) the impact to the community as it relates to quality of care
  - (e) estimated timeline to implement
- (3) Should the City's ordinance requiring the ambulance authority to bid out ambulance operations be changed/suspended in order to allow the current ambulance authority to run the EMS system without an operations contractor for an extended period of time?
- (4) What items related to monitoring of contract deliverables should be included in a contract for EMS services?

B. Educate decision makers (i.e., Mayor, City Council, City Manager) on the results of this analysis and recommendations.

C. Provide a detailed timeline of work effort related to this contract.