

*Skagit County EMS  
Washington*



EMS Levy Analysis

April 2012



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## EXECUTIVE SUMMARY

The Skagit County Board of Commissioners and the citizens of Skagit County are faced with a critical decision with respect to the future delivery of advanced life support services to those needing emergency medical care. The effects of the “Great Recession” (officially declared over in June 2009) continue to plague local government finances, and the Skagit County EMS Commission has not been immune from the toll this has taken on the local economy. This economic downturn has had a significant impact on local property values that are the primary source of revenue for subsidies to the EMS System in the community. Not only has the revenue from the levy declined, but other sources of revenue such as interest income have also seen significant reductions.

In an effort to ensure sufficient revenues will be available to continue to provide essential, life saving, emergency medical services, Skagit County voters will be asked to approve an EMS Levy referendum this year. The current EMS levy approved by voters in 2007 at a level of \$0.25 per \$1,000 TAV (Tax Assessed Value) occurred before the implosion of the real estate market and the downturn in the national, state, and local economies. At its current level, the EMS levy will not sustain the current provision of advanced life support services even though significant cost reduction strategies have been instituted over the course of the last several years. Measures such as eliminating one of the support ambulances and government closure days continue to be utilized by management in an effort to reduce personnel expenses. ESCI estimates that a funding deficit of almost \$1.2 million is expected next year if the current levy rate is maintained. Additional revenue shortfalls will follow in each of the succeeding levy years through 2018.

The Skagit County Board of Commissioners engaged the services of Emergency Services Consulting International (ESCI) to assist the EMS Commission in projecting future system financial needs based upon the current service delivery model. Further, ESCI was asked to provide an independent and transparent analysis to identify the required levy rate to present to the citizens of Skagit County in the upcoming referendum. The fundamental objective of the Commissioners is to ensure the continuous delivery of this critical service to the citizens of Skagit County. Specifically the firm was charged with the following tasks:

- Provide a comprehensive financial and operational analysis of the need for and uses of an EMS tax levy in Skagit County.
- Project population, valuations, tax assessments, and EMS demand.
- Project capital needs based on agency input.
- Project ambulance fees and collections throughout the system.
- Describe the critical needs for the EMS levy and how the EMS levy will be used.
- Provide the County with all background information and analysis necessary to continue the services that are supported by the EMS levy.

- Make recommendations about the amount and duration of the proposed tax levy based on optimistic, pessimistic, and most likely projections.
- Assist the County and elected officials with a thorough understanding of the basis of the recommendations.

Based on ESCI's analysis—consisting of on-site interviews with EMS System participants and local elected officials, review of prior studies and publications, local economic and demographic forecasts, other revenue sources such as patient transport fees as well as industry knowledge and expertise—it is clear that without an increase in the levy rate, the EMS System cannot continue to provide emergency medical services at service levels that are continuous and reflective of historic practice. The net effect of the loss of the revenue the system has experienced since 2009 necessitates an increase in the levy rate to \$0.375 per \$1,000 TAV.

Our analysis modeled various levy rates that yielded the following conclusions:

- Any rate below \$0.35 per \$1,000 TAV will be insufficient to maintain current service levels and will result in fewer responders and lengthened response times, or even possibly no unit availability for citizens needing immediate medical care and transportation to an emergency room, trauma center, or other tertiary care facility.
- At a level of \$0.35 per \$1,000 TAV revenues for the system become positive. However, recognizing the statutory limitation of 1 percent increase in revenue (other than new construction), the levy would only be able to sustain existing service levels through 2016. This would essentially result in an environment not unlike the current one in which the system must make significant changes due to insufficient revenues to support existing service delivery. Further, additional declines in property values beyond current projections would result in insufficient revenues throughout the entire levy period.

The recommended levy rate takes into consideration the required capital investment needed to maintain a front-line fleet of ambulances, replace outdated and technologically obsolete cardiac monitors, assist first responder agencies with financial support to provide back-up (or “surge”) capacity during periods of peak demand on the system, provide needed administrative support in the management of the EMS System, allow for essential technology that will improve data collection and response capability and, assist the EMS System Medical Director to provide the services needed to meet the expected quality performance measures consistent with industry norms. ESCI further recommends that the EMS Commission conduct a comprehensive analysis of the existing EMS system to identify future strategies and efficiencies that can be properly planned and programmed. This initiative and the development of a management plan to institute specific recommendations should provide a solid foundation for both the operational and financial requirements of the system in a way that continues existing services.

In conclusion, we appreciate the opportunity to assist the Skagit County Board of Commissioners, the EMS Commission, and the citizens of Skagit County through the development of recommendations that will ensure the continued delivery of quality, effective and timely emergency medical services.

## INTRODUCTION

ESCI has been engaged by the Skagit Board of Commissioners to assist in the analysis of the financial environment of the Skagit EMS System. Within this context, ESCI has been asked to identify the required financial resources essential to maintain an effective system of advanced life support to the residents of Skagit County. In 2003, The Skagit County Emergency Medical Services Commission (Medic One) was established under RCW (Revised Code of Washington) 35.21.730 to coordinate, operate, provide and maintain a countywide emergency medical services program. In supporting Medic One, voters have historically approved an EMS Levy dedicated to provide financial support for the program. The current levy rate is at the maximum voter approved level of \$0.25 per \$1,000 TAV. ESCI has been engaged to identify the critical role of the EMS Levy in providing adequate revenues to support the continuation of this service. More specifically, the firm has been requested to identify alternative levy rates and what the impact of these different rates will have in supporting the delivery of emergency medical services.

The Skagit County Board of Commissioners recognizes the value of providing advanced life support services to the residents of Skagit County and is committed to ensuring the necessary resources to support the system are available and realistic. The Board also recognizes transparency and full disclosure are essential to citizen support for any initiative that can have a financial impact to their personal lives in light of the current economy. To accomplish that goal, ESCI's primary role is to conduct an independent analysis verifying the system's current financial performance, as well as projecting future system financial requirements in light of a changing healthcare reimbursement landscape and an economic environment that has impacted the local community's ability to provide sufficient financial resources.

It is clear that the economy has significantly impacted the value of property within the local community. The EMS Levy is dependent on the value of real property that serves as the basis for total revenues generated by the levy to support advanced life support treatment and transport services. The voter-approved cap of \$0.25 per \$1,000 TAV has been reached and cannot be increased without citizen support as required by RCW 84.52.069. The Board of Commissioners has determined that it is appropriate for the citizens to decide the necessity of the levy through a referendum scheduled for the ballot during the August 2012 Primary Election.

In conducting its analysis, ESCI has undertaken a comprehensive review of the elements that make up and impact the financial stability of the EMS system. As such, we have reviewed previous reports; conducted on-site interviews with key stakeholders in the system; projected growth in call volume demand and the impact on resources; reviewed current and historical expenditures, revenues, and trends; and analyzed the various contributors to total revenue to support the delivery of services.

We could not have accomplished our objective without the support provided by members of the EMS System during our interview and on-site assessment process. We specifically wish to recognize the following for their valuable contributions to our study:

Skagit County

Skagit County Commissioner – Ms. Sharon Dillon

Skagit County Tax Assessor – Mr. Don Munks

Skagit County Tax Assessor Staff – Ms. Kelly Briggs, Mr. Dave Thomas

Skagit County Administrator – Mr. Tim Holloran

Skagit County Finance Director – Ms. Trisha Logue

Skagit County Medical Director – Dr. Don Slack

Skagit County EMS Commission

Director – Mr. Earl Klinefelter

Skagit County Public Health Director – Mr. Peter Browning (Chair, EMS Commission Member)

Administrative Assistant – Ms. Michelle Brisson

Central Valley Ambulance Authority

CVAA President – Chief Marty Coble

CVAA Board Member – Chief Rusty Feay

Operations Manager – Ms. Jada Trammel

Anacortes Fire Department

Fire Chief – Chief Richard Curtis

Deputy Chief – Chief John Bird

Aero Skagit

Agency Supervisor & Business Coordinator – Ms. Judy Coffell

Mount Vernon Fire Department

Fire Chief – Chief Roy Hari

## HISTORY OF THE EMS LEVY

Within the State of Washington, counties are authorized under state statute RCW 84.52.069<sup>1</sup> to request from voters the authority to levy an additional property tax of up to \$0.50 per \$1,000 TAV of assessed valuation to support emergency medical services programs. The levy presented to the voters can be imposed for six years, ten years, or permanently. Skagit County has traditionally relied on a six-year levy period with reauthorization of the levy through a voter referendum and the end of the six years.

Accordingly, the statute provides for the following:

*...a taxing district may impose additional regular property tax levies in an amount equal to fifty cents or less per one thousand dollars of the assessed value of property in the taxing district. The tax shall be imposed (a) each year for six consecutive years, (b) each year for ten consecutive years, or (c) permanently. A tax levy under this section must be specifically authorized by a majority of at least three-fifths of the registered voters thereof approving a proposition authorizing the levies submitted at a general or special election, at which election the number of persons voting "yes" on the proposition shall constitute three-fifths of a number equal to forty percent of the total number of voters voting in such taxing district at the last preceding general election when the number of registered voters voting on the proposition does not exceed forty percent of the total number of voters voting in such taxing district in the last preceding general election; or by a majority of at least three-fifths of the registered voters thereof voting on the proposition when the number of registered voters voting on the proposition exceeds forty percent of the total number of voters voting in such taxing district in the last preceding general election.*<sup>2</sup>

The EMS levy is considered a regular property tax and is therefore subject to the voter-approved growth limitation of 1 percent growth in revenue year over year (except for revenue generated from increased taxes from new construction). This limitation ensures that the levy rates remain constant with community growth and assessed property values.

Local governments have the ability to regulate and finance their EMS systems through various operational structures including an ambulance utility, special service EMS districts, or through inter-local cooperation agreements and contracts. Skagit County relies on the use of inter-local agreements and contracts and provides a subsidy funded by the EMS Levy to both public and private providers for the provision of advanced life support treatment and transport to the community under the administrative authority of the Skagit County EMS Commission.

**Since the levy's inception in 1978, Skagit County residents have supported a levy rate of \$0.25 per \$1,000 TAV for the provision of critical life-saving EMS services.** The most recent study that provided an analysis of the EMS levy was conducted in 2006 by Timothy Kiehl, LLC in preparation for a levy

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<sup>1</sup> RCW 84.52.069 – Emergency Medical Care and Service Levies.

<sup>2</sup> RCW 84.52.069 – Emergency Medical Care and Service Levies – Subparagraph (2).

<sup>3</sup> RCW 84.52.069 – Emergency Medical Care and Service Levies – Subparagraph (2) Concerning the Skagit County

referendum in 2007. According to his analysis, “the tax levy for 2007 - 2012 should be set at .25 cents per one thousand of property value.”<sup>3</sup> Unknown to the author of the study was the impending downturn of the real estate and financial markets resulting in the longest recession since the Great Depression. Voters approved the requested levy in 2007 which has since fluctuated throughout the established six-year time period as a result of constitutional and statutory limitations, property valuations, and new construction.

**Figure 1: EMS Levy History from Skagit County Assessor’s Office**

<b>Skagit County EMS Tax Levy History</b>			
<b>Year</b>	<b>Property Valuation</b>	<b>Levy Rate</b>	<b>Total Taxes</b>
2007	\$13,989,293,650	0.250	\$3,497,323
2008	\$16,148,479,615	0.229	\$3,698,118
2009	\$16,846,530,892	0.227	\$3,829,366
2010	\$15,969,744,068	0.246	\$3,929,323
2011	\$15,192,573,631	0.250	\$3,798,245
2012	\$14,476,397,872	0.250	\$3,619,099

### **Comparative EMS Levies in Other Areas**

Not unlike Skagit County, various jurisdictions throughout the State of Washington utilize an EMS levy to support the delivery of Emergency Medical Services. The following chart reflects a snapshot of 2011 levy rates in various jurisdictions.

<sup>3</sup> “Report to the Skagit County Commission and the Skagit County EMS Commission Concerning the Skagit County EMS Tax Levy Valuation and Distribution Formula Commencing in 2007.” Timothy Kiehl, LLC.

**Figure 2: Regional EMS Levy Rates from Washington Dept. of Revenue**

Washington State EMS Levy Taxing Rates - 2011 (Neighboring Jurisdictions)				
County	Municipal Taxing District	Valuation	Regular Levy Rate	EMS Levy
Chelan	EMS Hospital District #1	2,074,810,027	0.5000	1,037,405
Chelan	EMS Hospital District #2	2,582,524,615	0.3100	800,583
Island	EMS FD #1	3,344,430,159	0.5000	1,672,215
Island	EMS Hospital District #1	9,705,059,868	0.5000	4,852,530
Skagit	EMS District (Medic One)	15,192,574,831	0.2500	3,798,246
Skagit	EMS Fire District #24 Joint	17,898,150	0.4955	8,868
Snohomish	EMS FD #1	13,039,725,601	0.5000	6,519,863
Snohomish	EMS Everett	12,363,443,145	0.5000	6,181,722
Snohomish	EMS FD #7	7,323,451,271	0.5000	3,661,726
Snohomish	EMS Edmonds	6,433,258,853	0.5000	3,216,629
Snohomish	EMS Marysville	5,357,774,475	0.5000	2,678,887
Snohomish	EMS Lynnwood	4,726,403,303	0.5000	2,363,202
Snohomish	EMS FD #8	4,205,120,680	0.3392	1,426,228
Snohomish	EMS Mukilteo	3,541,494,541	0.5000	1,770,747
Snohomish	EMS FD #4	3,432,861,689	0.3500	1,201,502
King	EMS Countywide	328,630,628,411	0.3000	98,589,093
King	EMS Milton Joint	91,308,767	0.2000	18,262

The preceding chart represents EMS levy rates within the region without regard to similarities to Skagit County. ESCI also conducted an analysis of EMS levy rates for those jurisdictions around the state and examined the rates for those agencies that are similar in size (as measured by assessed values) to Skagit County. That analysis demonstrates, as shown in the figure below, that Skagit County generally levies less than similar-sized jurisdictions.

**Figure 3: EMS Levies in Similar Sized Communities**

EMS Levies by Communities with Assessed Values Similar to Skagit County (2011)				
County	Municipal Taxing District	Valuation	Regular Levy Rate	EMS Levy
Snohomish	EMS Everett	12,363,443,145	0.5000	6,181,722
Snohomish	EMS FD #1	13,039,725,601	0.5000	6,519,863
Yakima	EMS	15,056,805,667	0.2148	3,234,433
Skagit	EMS	15,192,574,831	0.2500	3,798,246
Spokane	EMS City of Spokane (2011-2)	15,194,337,010	0.5000	7,597,169
Pierce	EMS FD #6 (2007-2012)	17,533,547,062	0.5000	8,766,774
Pierce	EMS Tacoma	19,033,502,788	0.5000	9,516,751

In order to further determine how Skagit County's EMS Tax Levy compared to other jurisdictions, ESCI conducted a comprehensive analysis of levy rates throughout the State of Washington. Our research indicates there are approximately 175 EMS Tax Levy Districts within the state and that the average levy

imposed statewide for Emergency Medical Services during 2011 is \$0.4014 per \$1,000 TAV.<sup>4</sup> The median levy throughout the state is \$0.4479 per \$1,000 TAV and the most frequently encountered levy rate is \$0.500 per \$1,000 TAV. When examined and compared to EMS levies throughout the state, Skagit County's current levy rate of \$0.25 per \$1,000 TAV is approximately 37.7 percent below the state average. (See Appendix for a chart of EMS Tax Levy Districts.)

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<sup>4</sup> Department of Revenue, State of Washington. [2011 Local Tax District Levy Detail](#).

## SYSTEM DESCRIPTION

### Current Administrative Oversight

The Skagit County Board of Commissioners, through the Skagit County EMS Commission, oversees ground ambulance and EMS first response services to the entire County. The EMS Commission funds local ambulance providers, local first response agencies and provides both safety and EMS education. The oversight is provided through a multi-layered process that ensures the maximum level of citizen protection.

The three-member board of commissioners established the Skagit County EMS Commission<sup>5</sup> (Skagit EMS) to oversee the provision of emergency medical services in the County. Specifically, the Skagit County EMS Commission is authorized to, “Supervise the management of the emergency medical system in Skagit County and monitor the performance of contracts for the provision of emergency medical services, including inter-facility transfer of patients and other support functions...” The County code establishes a 13-member commission board appointed by the County Commissioners. The EMS Commission creates an annual budget and EMS management plan for approval by the Board of Commissioners. Generally, though the EMS Commission acts as an independent organization, the EMS Commission is required to comply with laws regulating governments in the State of Washington. For a number of years the EMS Commission directly operated the ambulance service, receiving EMS levy funding from the County and patient revenues from ambulance transports. The EMS Commission also contracted for ambulance service from the City of Anacortes and from Aero Skagit. In 2009, due to concerns about the EMS Commission both providing and contracting for ambulance service, the County Commission elected to split off the service provision portion of the EMS system and created an ordinance to establish the Central Valley Ambulance Authority (CVAA)<sup>6</sup>. Today, the Skagit County EMS Commission receives EMS levy and other funding from the County Commission and in turn distributes the majority those funds to the three local ambulance providers. The Commission provides training, prevention activities, and administrative services but remains primarily an overseer of contracts and a distributor of funds.

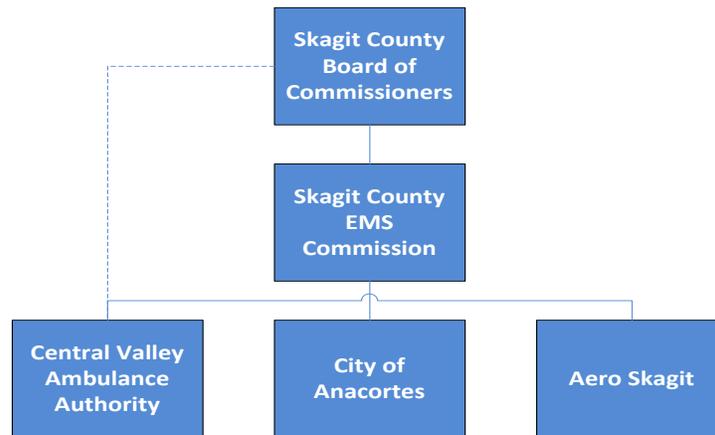
CVAA was established in 2009 to, among other things, “provide emergency medical services in Central Skagit County in accordance with any applicable laws or regulations...” Like the EMS Commission, CVAA must prepare and submit an annual budget to the County Commission for approval. As such, CVAA remains primarily a quasi-public agency that provides ambulance services to the central valley area. Though the CVAA and the Skagit EMS Commission provide operating oversight of their respective agencies, the County Commission provides the financial oversight by approving budgets and appointing members to the respective committee. The following figure describes the governance relationships within the County EMS system.

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<sup>5</sup> Skagit County Code, Chapter 248.

<sup>6</sup> Skagit County Code, Chapter 252.

Figure 4: Governance Structure of the Local EMS System



### System Prehospital Providers

Ambulance Service: Skagit County is located approximately 70 miles north of the Seattle/King County metroplex. Covering a landmass of just less than 2,000 square miles, the County is a mix of wilderness areas in the eastern part, fertile agricultural areas in the central valley, and recreation and retirement communities along the coastline to the west.

EMS service needs in the County vary widely. In the eastern part, the foothills of the Cascade Mountain Range lead to sparsely populated areas along State Routes 20 and 530. The small and scattered population in this area creates challenges for the EMS community which must deliver services over hundreds of square miles. Along the western border, Anacortes is a retirement and recreation community that is relatively isolated with limited access and reduced options to either give or receive aid from other areas of the County. In the central valley, the cities of Mount Vernon and Burlington represent the most densely populated and central areas of the County and have the highest medical demand.

To meet these disparate needs, the County is served by a number of first response agencies and three ground ambulance entities. In the east, Aero Skagit serves the remote eastern areas from its base in the city of Concrete. Anacortes Fire Department provides services in and around Anacortes on the western border, and Medic 1 provides emergency ambulance services in the central valley.

Aero Skagit is organized as a private, not-for-profit service originally formed in the early 1970s. The ambulance not only provides service to virtually all of eastern Skagit County, but also is the primary provider to about 1,000 square miles of Whatcom County. Using part-time paid personnel, the Aero Skagit service frequently operates without the benefit of first responders. As such, it uses an additional responder on its ambulance so that it has the staffing available to provide vehicle rescue and other labor-intensive responses.

Anacortes Fire Department staffs and deploys two ambulances using cross-trained, dual-role firefighter/paramedics. Through a contract with Skagit County EMS, the department serves a population of more than 22,000 people (serving not only Anacortes, but also Fidalgo and Guemes Island). Most of its transports are to the local hospital (Island Hospital); approximately 10 percent of transported patients go to Skagit Valley Hospital in Mount Vernon or to one of the Seattle or Everett medical facilities. Because of the city's location in the County, the logistics of either providing or receiving mutual aid are very difficult except in the most critical situations. Though the city transports approximately 1,700 patients per year, it must deploy additional units in order to provide the appropriate surge capacity in the system.

As described earlier, the Central Valley Ambulance Authority is a quasi-public agency created in 2009 by the Skagit County Board of Commissioners to provide emergency medical and ambulance services. Using four ambulances staffed with two paramedics each, the agency serves the cities of Mount Vernon and Burlington, as well as Sedro-Woolley and other communities around the Mount Vernon area. Up until December 2011, CVAA provided non-emergency transports and inter-facility transfers between hospitals and other medical facilities within and outside Skagit County. The non-emergency ambulance was also used as surge capacity during times of peak demand in the system; however, the service was eliminated because of financial limitations.

The population in the area is getting older. According to the 2010 U.S. Census, more than 116,000 residents live in the County. Of those residents, more than 16 percent are over the age of 65 according to Indicators Northwest, compared with 13.7 percent in 1980.

EMS Services by First Responders: A number of providers are authorized to provide first response medical services (basic life support or BLS) in the County. The organizations provide varied levels of services, from BLS Aid vehicles to BLS ambulances to ALS (advanced life support) ambulances. Each of the first response agencies listed in the following table maintains a licensed basic life support aid vehicle and participates to some extent in the local EMS system. The Mount Vernon Fire Department provides ALS transport capability in the event Central Valley is unable to respond due to excessive call volume or lengthy response times.

**Figure 5: BLS Aid Vehicles in Skagit County**

Authorized BLS Aid Vehicles in Skagit County	
Department	Community
Hamilton Fire Department	Hamilton
La Conner Fire Department	La Conner
Mount Erie Fire Department	Anacortes
Mount Vernon Fire Department	Mount Vernon
Sedro Woolley Fire Department	Sedro Woolley
Skagit County Fire District #1	Mount Vernon
Skagit County Fire District #2	Mount Vernon
Skagit County Fire District #4	Clear Lake
Skagit County Fire District #5	Bow
Skagit County Fire District #7	Mount Vernon
Skagit County Fire District #8	Sedro Woolley
Skagit County Fire District #9	Clear Lake
Skagit County Fire District #12	Mount Vernon
Skagit County Fire District #13	La Conner
Skagit County Fire District #14	Burlington
Skagit County Fire District #15	Mount Vernon
Skagit County Fire District #16	Sedro Woolley
Skagit County Fire District #17	Anacortes
Skagit County Fire District #19	Rockport

Authorized BLS Ambulances: In addition to the BLS aid vehicles, one BLS ambulance agency is licensed in the County. Island Hospital in Anacortes provides BLS ambulance services. These services are provided for the purposes of inter-facility transfers and are not typically used as part of the emergency services system.

Authorized ALS Ambulance Services: There are three verified ALS Ambulance agencies in the County: Anacortes Fire Department in Anacortes, Aero Skagit Emergency Services in Concrete, and Central Valley Ambulance Authority in Mount Vernon. These agencies are authorized to respond to emergency events in the County and provide advanced life support services.

Non-Authorized Ambulances: In addition to the licensed ambulances in the County, there are a number of ambulances that provide services to County residents from areas outside the County. These ambulances provide BLS ambulance services, mainly inter-facility transfers from facilities within the County to facilities either within or outside the County.

## Medical Oversight

Each certified EMT and paramedic in the Skagit County System must have medical “orders” from a qualified physician in the State of Washington. In Skagit County, a local emergency medicine specialist, Don Slack, M.D., is the local medical program director (MPD). Working closely with EMTs and paramedics in the field and physicians of multiple specialties in the hospitals, Dr. Slack is a critical piece of the EMS system infrastructure. Not only does the medical program director establish the on- and off-

line field protocols, but the MPD also establishes and monitors the quality assurance procedures that lead to improvements to the quality provided by out-of-hospital personnel.

### System Performance

System performance standards have been established for the Skagit County EMS systems. Generally, those EMS standards apply to ambulances and apply almost exclusively to the response times. The response performance is tied to the economic factors related to the ability to deliver resources quickly, not necessarily the medical outcomes derived from those response times. The response time clock begins when the unit is dispatched and stops when that unit arrives on the scene. The following table describes the response time requirements for specific population centers in Skagit County.

**Figure 6: Response Requirements for Skagit Ambulances**

Response Requirements for Skagit County Ambulances	
Time Limit	Type of Service Area
8 minutes	Urban areas and within the incorporated cities
15 minutes	Suburban Areas
30 minutes	Rural Areas
90 minutes	Wilderness Areas

## FACTORS THAT IMPACT EMS SYSTEM REVENUES

There are three principal sources of revenue that support the delivery of advanced life support and treatment services for the citizens of Skagit County. These sources include local tax support through the EMS tax levy; revenue generated by the provider of ambulance transport services through user fees (ambulance transport fees); and support provided by local government agencies either directly or indirectly through the utilization of facilities and equipment, principally within the respective fire districts. Each of these component elements contributes to the financial support for the delivery of services and each of these funding mechanisms are subject to both internal and external influences in their ability to generate sufficient revenue to support operations. The first of the component elements analyzed is the EMS tax levy.

### Tax Levy Revenues

Over the course of the past three years that revenue generated by the levy peaked in 2010 with total revenues of \$3,929,323. It is not uncommon for local government revenues to lag behind the general economy for a year or more. Since that time, the levy revenue has declined to the most recent estimates for 2012 to generate \$3,619,099, resulting in a cumulative loss of approximately \$310,224 since 2010. There are various factors that can be attributed to this decline including the statutory cap on the levy, the current economic environment, and the impact of the economy on the assessed valuation of residential and commercial properties.

Statutory Limits: Title 84, Chapter 84.52, Section 84.52.069 of the Revised Code of Washington authorizes local jurisdictions to “impose additional regular property tax levies in an amount equal to fifty cents or less per thousand dollars of the assessed value of property in the taxing district”. Skagit County has utilized this provision of state law to provide voters the opportunity to determine the levy rate. Throughout its history, Skagit County has opted to establish the levy rate at \$0.25 per \$1,000 TAV, which is half of the authorized maximum rate that can be voted upon. In an environment in which assessed property values—the basis for total revenue generated—increases, the amount of revenue generated by the levy subsequently increases. Conversely, as Skagit County has witnessed in recent years, declines in the value of assessed property have resulted in lower revenues and the County subsequently increased the levy until it reached its authorized cap of \$0.25 per \$1,000 TAV. With the current legislated cap, the EMS System cannot recognize additional supporting revenues from this source without a referendum to increase the levy rate.

Economic Environment: The economic climate within a community lies at the foundation of financing local government program and services. In the absence of a vibrant economy, residential property owners face a proportionately higher burden in supporting programs such as the delivery of advanced life support treatment and transportation through their tax dollars. **Subsequently, the loss of industrial and commercial investments and associated support infrastructure can adversely impact the residential population not only through loss of jobs and opportunity, but also a resulting shift in the**

**tax burden.** The “Great Recession” has certainly had an impact on Skagit County. According to the most recent report from the Washington Employment Security department:

*Skagit County’s civilian labor force in December 2011 (57,030) was 2.1 percent less than the revised December 2010 levels (58,270). The shrinkage in the labor force is due to jobseekers moving to King County where there are better paying jobs, as well as workers leaving the labor force due to retirement or discouraging work prospects. In December 2011, the County unemployment rate was 10.2 percent compared to 10.1 percent in December 2010. The unemployment rate in the state was 8.3 percent in December 2011. Total employment and unemployment were 0.3 and 10.6 percent lower than in November 2010. These declines were due both to outmigration mentioned above, as well as workers being too discouraged to look for work. **The number of workers in the County employed part time due to the unavailability of full-time employment most likely is similar to the state level, and Washington has the fifth highest rate of this type of underemployment in the nation, according to the latest Bureau of Labor Statistics figures.**<sup>7</sup>*

In its quarterly forecast of economic growth, the Washington State Economic and Revenue Forecast Council summed up its report accordingly: “The national and state economies appear headed for an extended period of muddle-through-slow economic job growth, high unemployment and weak confidence.”<sup>8</sup> With an annualized growth rate in population from 2000 - 2010 of approximately 1.3 percent, it does not appear that Skagit County can rely on significant community growth and subsequent growth in employment to significantly overcome the economic malaise being felt in the community as a result of the recession.

Assessed Property Values: Skagit County has not escaped the impact of the global recession on property values. Specific to the EMS Tax Levy, **the value of real property has declined 14 percent between 2009 when it reached its peak of \$16,846,530,892 and 2012 with an estimated current assessed value of \$14,476,397,872.** In light of the trailing economic conditions facing Skagit County, it is not unrealistic to project further declines in valuations. According to officials in the Office of the Skagit County Tax Assessor, approximately 25 percent of all recent property sales reflect distressed properties. Furthermore, based on their analysis and familiarity with the local economic environment, additional declines in assessed property values are likely over the course of the next several years as foreclosures, bankruptcies, and short sales will continue to adversely impact property values.

The combination of having reached a statutory limit on the current EMS tax levy along with a sluggish economic environment and the potential for further declines in overall property valuations will exacerbate the financial capacity of the levy—or lack thereof—to sustain support for the provision of advanced life support treatment and transport services.

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<sup>7</sup> Employment Security Department, Washington State – Skagit County Outlook: February 2012.

<sup>8</sup> Washington State Economic and Revenue Council. Economic and Revenue Outlook, March 8, 2012.

## Transport Revenues

The Skagit County EMS Commission authorizes the provision of emergency medical services through inter-local agreements and contracts with ambulance transport providers that include Aero-Skagit serving the eastern and more rural communities of the County, Anacortes Fire Department serving the municipality of Anacortes and adjacent unincorporated County areas, as well as the Central Valley Ambulance Authority providing transport services to the county seat of Mount Vernon, Sedro-Woolly, other smaller municipalities, and the remainder of the unincorporated areas of the County. The subsidies provided through the tax levy are not sufficient to support ambulance transport services and these organizations subsequently have to rely on patient transport revenues or local municipal subsidies to sustain patient treatment and transport operations.

Not unlike the tax levy, transport revenue sources are increasingly being pressured by factors beyond the control of the individual provider. These factors include an ever changing national healthcare landscape, a burgeoning federal deficit that will likely have an impact on federal reimbursement for ambulance services, the payer mix of the patients that are transported by the system, and the availability of cash reserves to sustain fluctuations in revenue cycles.

Changing Healthcare Environment: With the passage of the Federal Patient Protection and Affordable Care Act, various theories have been advanced that this change in health care coverage will adversely impact reimbursement to providers. Proponents of the law argue that it will lower overall costs by creating "exchanges" in which private insurers will sell insurance to individuals and small businesses. Opponents argue that businesses will opt out of providing health care coverage through traditional insurance and instead rely on vouchers or other payment structures for employees to purchase their own coverage. Subsequently, employees will opt for high deductible plans with lower monthly costs that will result in a cost shift to more private pay and lower reimbursement levels as a result. What is clear is that the number of people who qualify for the existing federal-state Medicaid program for the poor will be expanded. This program historically has lower reimbursement rates for ambulance service providers.

Federal Reimbursement (Medicare): The legislation previously referred to is known collectively as the "Affordable Care Act". The Act contains approximately 165 provisions affecting the Medicare program, including reducing costs, increasing revenues, improving certain benefits, combating fraud and abuse, and initiating a major program of research and development for alternative provider payment mechanisms and health care delivery systems. In its 2011 annual report to Congress, the Boards of Trustees of the Federal Hospital and Insurance and Federal Supplementary Medical Insurance Trust Funds state the following:

*The financial outlook for the Medicare program is substantially improved as a result of the changes in the Affordable Care Act. In the long range, however, much of this improvement depends on the feasibility of the ACA's downward adjustments to future increases in Medicare prices for most categories of health care providers.*

The new health law is estimated to reduce projected Medicare spending by \$575 billion over ten years, primarily by reducing projected fees to hospitals and other providers and by reducing payments to private Medicare Advantage insurance plans. **It is increasingly clear that provider reimbursements will see increasing downward pressure resulting in lower reimbursements and revenues to support patient transport services.**

Payer Mix: The overall revenue generated from patient transports is highly dependent on the actual charges for services and the reimbursement level from major payers. In addition, the mix between payer types is also critical in determining total revenue that can be generated from patient transports. The major categories of payers for ambulance transport services include Medicare, Medicaid, Private Insurance, and Private Pay. Payments from these payers result in different collection rates. For example, Medicare is a federal program that limits the reimbursement to the ambulance provider based on the National Ambulance Fee Schedule established in 2002. Irrespective of a provider's charges for service, the maximum reimbursement is determined by the fee schedule. **The difference between the actual charge and the payment for the service by Medicare is required to be written off by the provider as uncompensated care.** Subsequently, the level of citizens utilizing the service who are covered under Medicare or Medicare Advantage Plans can dramatically affect the level of reimbursement, as opposed to third party insurance which generally will reimburse at a higher level as well as provide an opportunity for the service provider to balance bill the patient for charges not covered by their insurance plans.

Availability of Cash Reserves or EFBs: Financial stability of any organization is dependent upon its ability to match cash flow (revenues) with expenditures. This is especially true for ambulance transport providers who are dependent upon accounts receivable to fund operational expenditures. To account for the revenue collection lag period, often 60 to 90 days from invoice to payment, adequate reserve funds are maintained to sustain operations and account for unanticipated expenditures. While the level of reserve fund may vary from organization to organization, a common practice for local government finances is to maintain a reserve fund equal to three months of operating expenditures by policy.

In addition to operating reserves, capital reserve funds are maintained to ensure that capital projects such as equipment and fleet replacement are properly programmed and planned for. Some jurisdictions maintain an unassigned fund balance for unanticipated contingencies to counter the impact of rising commodity prices such as fuel. Skagit County Medic One has been able to maintain a healthy reserve balance currently invested according to the County's investment policy. While the current fund balance is sufficient to meet operational expenditures until receipt of tax levy revenue, dependency on the reserve fund to offset operational expenditures not covered with current revenues will adversely affect the fund and impair the ability to sustain normal cash flow requirements and prefund needed capital expenditures.

## FACTORS THAT IMPACT EMS SYSTEM EXPENDITURES

A number of factors influence the expenditures made within the EMS system, some of which are completely outside the control of the system's providers and some factors over which the providers have at least some control.

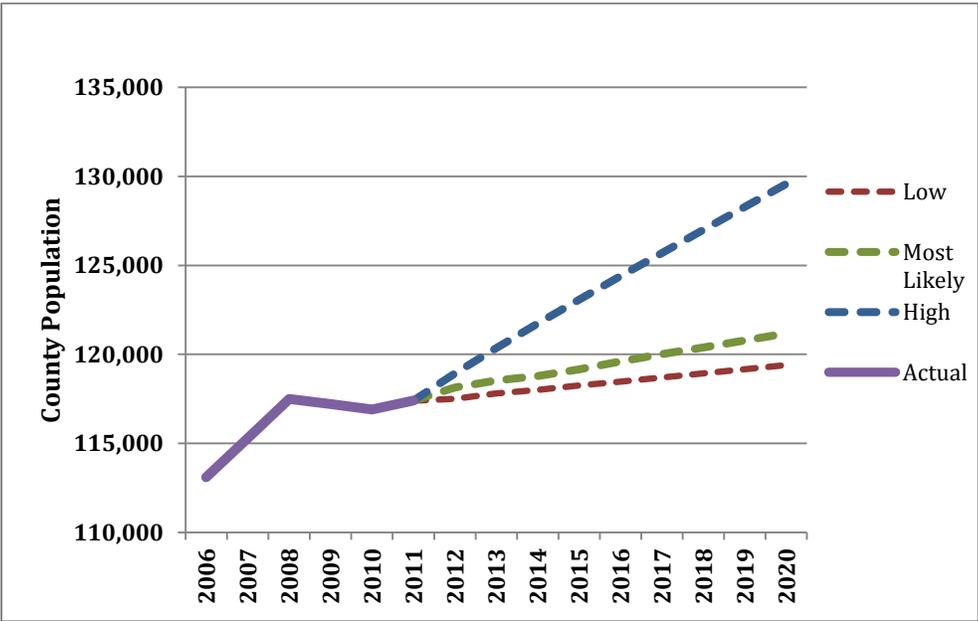
### **External Factors**

For the purposes of this discussion, external factors that impact EMS system expenditures are those factors that cause increased costs on the part of the providers and that the providers cannot control.

Community Growth: Community growth is an important consideration because growing communities place more demand on EMS services. As local cities' populations grow, the expected response time requirements follow city boundaries. As the response time requirements become more restrictive, the costs required to meet those increasing requirements also grow. EMS agencies must put more resources on duty to achieve the required performance.

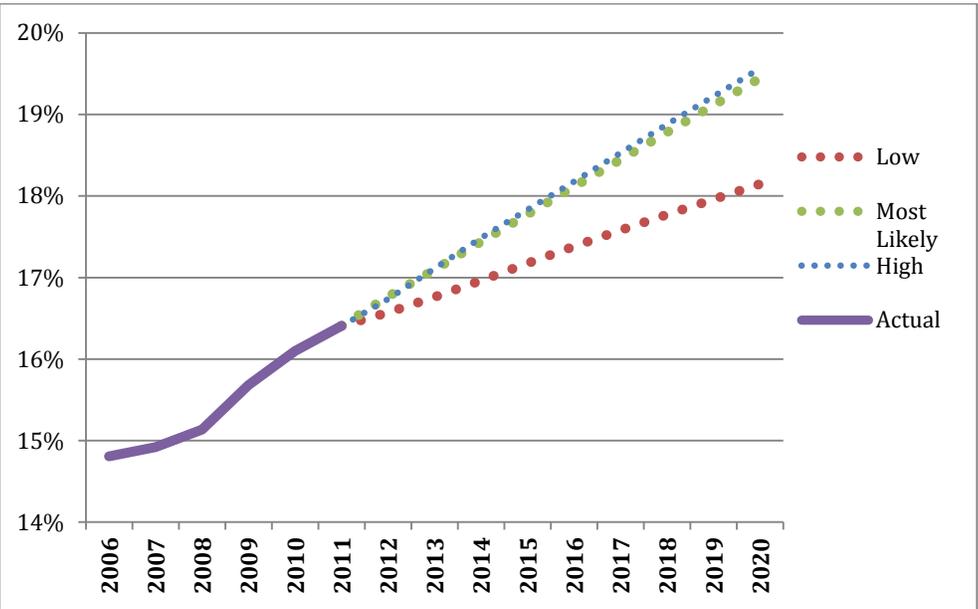
Population Growth: EMS services are services provided to people. As such, as the local population increases, the EMS services required by that population also increases. Over time, these population increases cause additional costs as providers must deploy additional resources to meet the growing demand. In addition to the raw population increases, the existing population is also aging. As the population grows older, the likelihood of making use of EMS services (or using the services more frequently) increases. So not only are there more people in the community, but also the percent of the community that is at risk for making use of EMS services is expanding. ESCI has projected (not predicted) population growth in the Skagit County EMS system through 2020. Using multiple types of linear regression models, we have evaluated the current and previous population in the County and made some projections of the County's future population. The following figure provides maximum and minimum analyses, as well as what ESCI anticipates will be the most likely population growth. This analysis leads the project team to believe that the Skagit County Population will be slightly more than 120,000 people by the year 2020.

Figure 7: Population Projections



In addition to the raw population, the senior population is growing faster than the overall population. In this case we define senior as older than 65 years as this is the Medicare age. **Because Medicare is a significant driver of EMS service usage, we believe that the system must consider the future Medicare population in order to determine the future revenue forecasts.**

Figure 8: Senior Population Projections

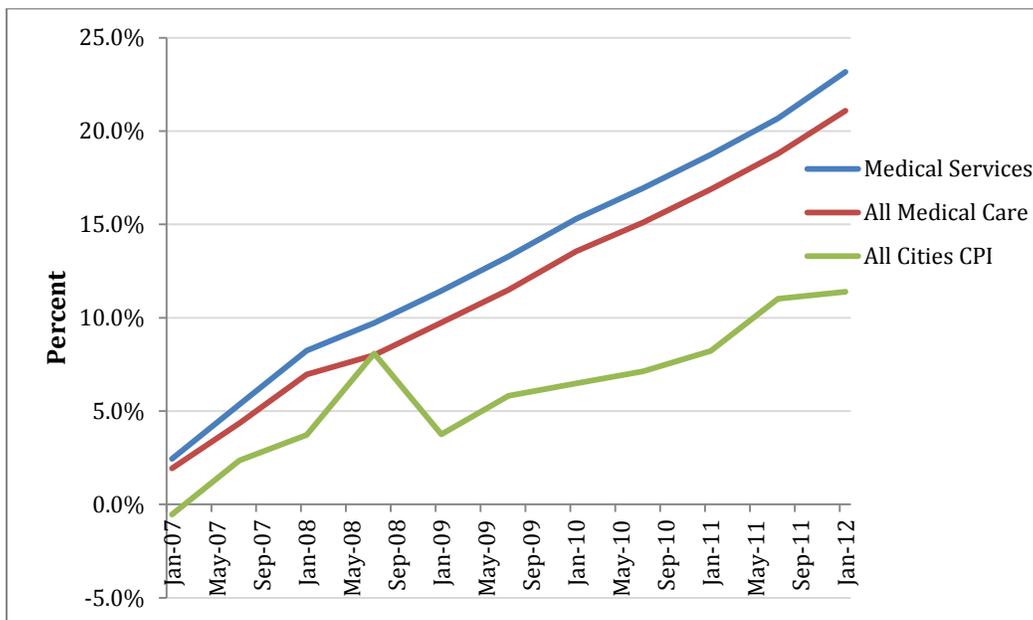


The Local Economy: Economic shifts in the community not only change the demand within the system but also change the type of demand for EMS resources. As the local economy grows (or contracts),

commerce and employment changes and people change their patterns of movement within the system. Generally, higher employment increases demand throughout the EMS system and focuses that increased demand to the daylight hours. The demand in growing economic conditions shifts from residential areas to transportation routes and to commercial and industrial areas. A shrinking economy has the effect of shifting the location of the demand from commercial to residential areas. In addition, as the economy shrinks and employment drops, families lose healthcare coverage. **Lower healthcare coverage in the population leads to a higher utilization of EMS services because uninsured people are more likely to use EMS as their primary access to healthcare.** A stable economy allows providers to reliably predict their demand and to appropriately position resources.

Inflation: Inflation is the sustained increase in the cost of goods and services, meaning that each dollar is unable to purchase the same amount of resource. In the world of EMS, increases in resource inputs such as medical supplies and medications, fuel, insurance, and labor costs create significant pressure on ambulance services and first responders to maintain levels of service. In Skagit County, the increases in the cost of fuel during the last five years, as well as the increased costs of health care and labor are increasing cost burdens. Further, additional medical costs have a critical impact on the EMS community. The following graph shows components of the All-Cities inflation in the United States since 2007<sup>9</sup>. The medical services component of inflation includes such items as professional services and health insurance, while the “medical care” component includes pharmaceuticals and medical equipment and supplies. Note that these two components of medical care have risen to more than twice the level of the consumer price index since 2007.

Figure 9: Selected CPI Indices



<sup>9</sup> As reported by the United States Bureau of Labor Statistics (2012).

Mutual Aid Availability: Mutual aid is the ability to request assistance from neighboring jurisdictions. In a mutual aid agreement, mutual aid providers have the ability to refuse to offer resources if the provider giving aid has only limited resources and cannot afford to provide help to its neighbors. In any EMS system, providers rely on mutual aid to assist during periods of high demand, and they offer mutual aid when neighboring agencies have similar needs. Mutual aid is critical to EMS systems because no system can afford to staff and deploy the resources necessary to meet all possible demand on the system. Especially in small systems when, for example, a provider may experience only one or two calls in an hour, mutual aid is critical when the occasional demand jumps to, say, five calls. Even with an appropriate amount of excess capacity, **few systems can manage sudden and significant surges in demand.** In the absence of effective mutual aid agreements, providers must deploy additional resources to accommodate the potential surges in demand. In Skagit County, because of the geography, the EMS system is much like three separate systems with each of the providers unable to provide meaningful mutual aid to the other providers.

### **Internal Factors**

There are some cost factors over which the local providers have at least some control and often may have substantial control. In the absence of adequate funding, these factors will be the focus of significant cost-cutting measures on the part of the system participants if funding is reduced.

Response Times: Response times are the primary driver of costs in an EMS system. In the simplest terms, response time requirements have an exponential impact on costs. As shorter response times are mandated, providers must allocate significantly more resources to meet the response requirements. In Skagit County, the expansion of suburban areas into rural areas places an ever-increasing burden on services to increase the number of response units.

Demand: As demand (the number of calls for service) increases, EMS system providers are forced to employ additional resources to meet the demand; however, demand can take many forms. In an urban area, demand may increase during the workday as workers shift from residential areas to employment areas. In recreational areas, demand can increase during summer months, requiring additional provider resources during those months—especially when the primarily rural recreational areas require longer times to service a particular event. These issues are typical in the rural areas—such as Aero Skagit—when long distances to hospitals keep ambulances out of service for long periods of time.

Staffing: Providers have control over staffing. Providers can add to or reduce the number of paramedics on a response vehicle, they can change the total number of people on a response vehicle, and they can establish creative methods that reduce the length of shifts, the hours per week of work, or the number of hours for each person. As labor is one of the primary drivers of EMS system costs, the staffing configurations used by providers are important methods to contain or increase costs.

Deployment: While staffing describes the number of personnel and their certification levels, deployment describes the number and type of units in the system. Deploying resources is one of the

most significant factors that impact the expenditures of responders. Put simply, the more resources that are deployed in the system, the higher the costs.

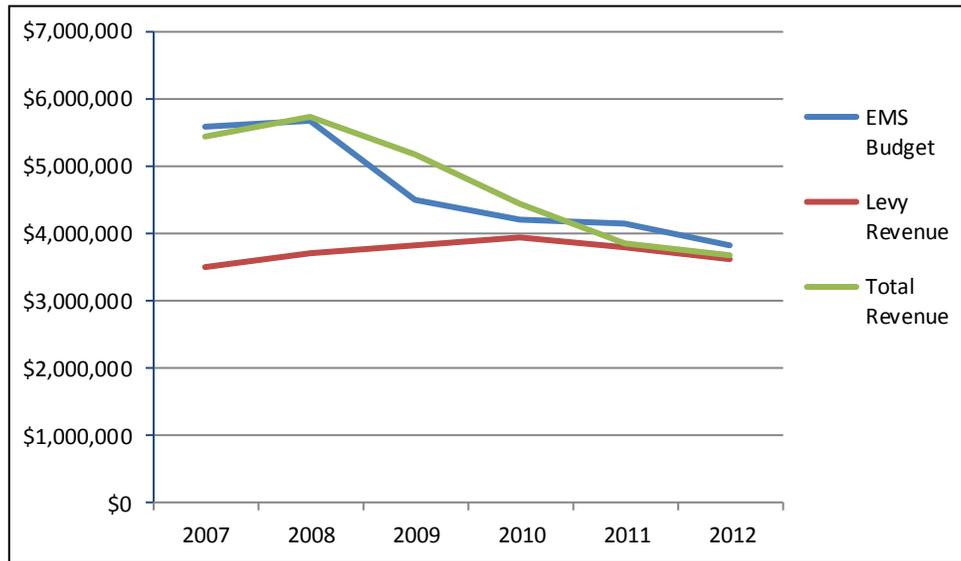
Administration Costs: Appropriate system oversight provides the system with effective leadership and decision-making. However, that administration must be balanced to avoid excessive costs in the system. The system oversight in Skagit County is provided by the Skagit County EMS Commission that manages reporting and distributes funds to system providers. In addition, the administrative infrastructure provides education for all of the ALS and BLS providers, as well as prevention classes and AED and CPR training. At the individual agency level, each agency provides its own oversight.

Technology: Medical technology is rapidly advancing in EMS systems across the United States with expensive new technology advances being made available in the fields of communications, electronic reporting systems, mobile data computers, automatic vehicle location, and medical instrumentation. With medical research identifying new technologies that make a difference in patient outcomes, medical providers must make choices between implementing these new technologies and providing for competing needs. While the decisions to implement new technologies are often internally driven, and as more and more medical demands are being placed on providers, the adoption of new technology is often being demanded by the medical community.

## **Current Financial Environment**

The Skagit County EMS System is at a critical juncture in its ability to maintain an effective and efficient EMS response system. This intersection is being created by declining revenues generated by the tax levy; future estimates that reflect a declining reimbursement rate for patient transport revenues that are not sufficient to cover expenditures in excess of the levy subsidy; an economic environment that is projected to grow slowly as the County, state, and nation recover; and **a payer mix that is highly dependent upon Medicare reimbursement**. Each of the component elements affecting the financial state of the EMS System have been analyzed and recommendations made are based on the analysis of the system's ability to maintain an effective and efficient response system that meets the critical emergent medical needs of the citizens of Skagit County. One can readily assess that even though various cost saving measures have been instituted, revenues continue to decline and the EMS Commission's budget has very few options to further curtail expenditures without reducing the subsidies currently being provided to help support the EMS system.

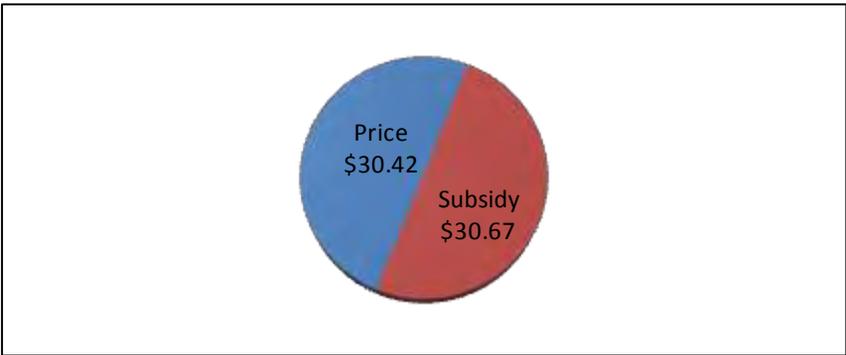
**Figure 10: Declining Revenue in the Skagit EMS System**



System Revenues: As previously indicated, the EMS System in Skagit County is supported through a variety of revenue measures. In recognition of the geographic response area, total system call volume and established response time and personnel performance metrics, the EMS System utilizes a dedicated tax levy to subsidize the delivery of services. Many local governments utilize this approach to offset the cost of preparedness (the ability of the system to respond and maintain capacity) with the actual cost of the patient transport component. This approach recognizes that the price and the subsidy have a direct relationship to each other and can be modified either through increasing the price (patient transport fees) or the subsidy (tax levy).

Price/Subsidy Relationship: The following graph reflects the current relationship between price (the fee associated with the patient transport) and the tax levy in Skagit County. As evidenced by the following graph, EMS Tax Levy revenues and fees generated from patient transports are almost equally divided in supporting the EMS System. On a per capita basis, the current levy generates approximately \$30.67 and, collectively, the transport revenues generate approximately \$30.42.

**Figure 11: Per Capita Price/Subsidy Relationship**



Revenues to support the system can be derived by adjusting either component of the ratio. Theoretically based on the equal division of revenue, one would expect an increase in price to result in an equal reduction in the levy on a per capita basis. However, due to the variations in payer mix (which result in higher write-offs when fees are increased), the amount of revenue generated by an increase in transport fees does not have the same effect as a marginal increase in the overall levy rate. A 20 percent increase (\$0.05) in the levy will generate approximately \$732,820 in revenue. To achieve the same level of revenue, utilizing the fee schedule employed by both Central Valley Ambulance Authority and Aero Skagit Ambulance Service, user fees would have to increase approximately 34 percent resulting in the following charges:

**Figure 12: Ambulance Fees**

Skagit County Ambulance Fee Schedule		
	Current	Increase Required
BLS Non-Emergent	\$425.00	\$425.00
BLS Emergent	\$590.00	\$890.00
ALS Non-Emergent	\$770.00	\$1,090.00
ALS II	\$775.00	\$1,075.00
Specialty Care	\$820.00	\$820.00
Mileage	\$15.00	\$15.00

Tax Levy Revenues: Based upon the information identified previously, **Skagit County revenues generated from the EMS tax levy have declined approximately 14 percent over the last three years.** Faced with an uncertain economic outlook as well as an expectation that property values will continue to decline over the course of the next several years before stabilizing, further depreciation of property value could reach a total of 20 percent collectively. Based on this conservative scenario, one can project an additional loss of approximately \$213,888 in revenues and a cumulative loss of approximately \$524,112 since 2010.

**Figure 13: Projected Levy Revenue**

Projected EMS Levy Revenues at Current Rate			
2013	\$14,042,105,936	0.25	\$3,510,526
2014	\$13,620,842,758	0.25	\$3,405,211

Transport Revenues: Information supplied by the individual transport providers reflects total net transport revenues of approximately \$3,589,103 to support expenditures of the individual transport providers. It should be noted that some disparity currently exists with fees charged for services. Both Central Valley Ambulance Authority and Aero Skagit EMS have the same ambulance transport fee schedule.

The Anacortes Fire Department operates on a lower fee per transport than the other two providers. Net collection rates after adjustments for bad debt expense and uncompensated care write offs range from 38 percent in Anacortes to 51 percent for Central Valley Ambulance Authority.

**Figure 14: Total Net Revenue from Patient Transports**

Total EMS System Transport Revenue, 2011	
Transport Provider	Net Revenues
Central Valley Ambulance Auth.	\$2,846,654
Anacortes Fire Department	\$ 533,730
Aero Skagit EMS	\$ 208,719
<b>Total System Transport Revenue</b>	<b>\$3,589,103</b>

A community's payer mix, or the sources of net revenue generated by patient transports from different payer sources, has a significant impact on the total net revenue that the EMS transport system providers can generate. The socio-economic conditions within the community can heavily influence the nature of coverage for patients transported by the system. In communities with above average income and low unemployment levels one would expect to see a higher percentage of revenue derived from traditional third party insurance. In communities with an above average senior population, one would expect to see a higher percentage of total revenue generated by Medicare.

It should be noted that other factors such as the efficacy of the billing system can also materially influence total net revenue. A thorough analysis of the billing function was not within the scope of

services requested from ESCI for this analysis. Both the Anacortes Fire Department and the Central Valley Ambulance Authority outsource their billing program to agencies that specialize in EMS billing, reducing the likelihood that the billing function is not efficient in capturing total revenues available.

A profile of the payer mix for the various transport providers in Skagit County reflects the following principal sources of net revenue:

**Figure 15: Percent of Net Billing Revenues by Agency and Source**

Skagit EMS System			
Percent of Net Revenue - Payer Source (2011)			
Payer Source	Central Valley	Anacortes	Aero Skagit
Medicare	47%	62%	40%
Medicaid	7%	6%	29%
Private	9%	5%	9%
Insurance	37%	27%	22%

**The data reflects that the EMS system in Skagit County is heavily utilized by patrons who are either Medicare or Medicaid eligible.** This is substantially higher than what ESCI typically sees in most jurisdictions where the contributions from these payer sources average between 35 - 45 percent as opposed to the approximate 54 – 69 percent evidenced in Skagit County. This issue is fundamental to the need for additional levy support.

As identified in the price/subsidy ratio chart, the ability to modify the price for services in lieu of increased levy rates is dependent upon any increase to price (transport fees) to materially improve total revenues. In the case of the Skagit EMS System, increases to the current fees charged for services will have a marginal impact on total revenues since Medicare and Medicaid reimbursements are capped.<sup>10</sup> Essentially, no additional revenues will be derived from these payer sources irrespective of the fees charged for transport. Furthermore, collection rates for the remaining payers will also influence total revenue. Hence, any increase in price to offset a potential levy increase will only marginally increase net revenue. In lieu of a \$0.05 levy increase, transport fees would have to increase by \$300.00 to yield the same revenue.

Further, many insurance companies are increasing the co-pay requirement for ambulance transport services resulting in individual patient responsibility for charges in excess of covered expenses.

One would expect, given the current economic environment, this payer source will also experience significant financial pressures to meet their obligations. The current unemployment rate of 10.7

<sup>10</sup> Capped – A term denoting the fact that federal regulations do not reimburse above a specified level as identified in the National Ambulance Fee Schedule. Transport providers cannot collect the difference between the charges.

percent<sup>11</sup> and a poverty level of approximately 11.5 percent<sup>12</sup> add further strength to the reality that the share of private payers will increase and subsequently result in lower total revenues. Coupled with a high probability of future reductions in Medicare payments and a projected increase in persons 65 or older to approximately 20 percent of the population over the next decade, the EMS System in Skagit County will not be able to rely on a price increase in transport charges to maintain the current and future EMS delivery system. The system will have to be reliant on the EMS tax levy to support the delivery of advanced life support treatment and transport.

Local Subsidies: Within Skagit County, various local governments provide subsidies through their local fire department to help support the delivery of emergency medical services. The Mount Vernon Fire Department provides surge capacity to the system within Mount Vernon by staffing and equipping an ambulance with fire personnel when the primary provider Central Valley Ambulance Authority has exhausted its response capacity or has an excessively long response time. Mount Vernon is not provided direct financial support by the system to provide the additional surge capacity and absorbs the costs associated with this capability. The Anacortes Fire Department provides additional subsidy in the acquisition of its ambulances recognizing the dual role being provided by their personnel. Pressures are mounting within the system to recapture costs associated with the delivery of emergency medical services.

## **System Expenditures**

System Operating Budget: the Skagit County EMS Commission (dba Skagit County Medic One) is statutorily authorized to coordinate and regulate a County-wide emergency medical services program. Annually, the Skagit County Board of Commissioners exercises their fiduciary responsibility for the EMS system through approval of the EMS Commission Budget. ESCI has reviewed the budget for the EMS Commission for the past five years in order to project future expenditures based on current service levels and trends in expenditures. In addition, recognizing that the Central Valley Ambulance Authority has remained a component unit of Skagit County Government since 2009, ESCI has also reviewed CVAA's expenditures and trends. Based on this analysis of the expenditures, the observations on the next page have been made.

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<sup>11</sup> Washington State Department of Commerce – Skagit County Profile Internet Site.

<sup>12</sup> US Census Bureau- 2010 Decennial Census.

**Figure 16: History of Expenditures for the Skagit EMS System**

Skagit County EMS Commission Budget (2007-2012)						
Line Item	2007	2008	2009	2010	2011	2012
Operations	4,269,696	4,254,998	2,409,553			
Training	294,181	311,697	324,036	382,042	405,964	410,115
Administration	1,024,677	915,625	1,769,487	3,819,892	3,745,282	3,403,039
Provider Subsidy			655,210	2,653,230	2,658,121	2,749,723
Capital Expense > \$5000	146,213	204,688		339,859		
Bad Debt Expense		206,052				
<b>Total Budget</b>	<b>\$5,588,554</b>	<b>\$5,688,372</b>	<b>\$4,503,076</b>	<b>\$4,201,934</b>	<b>\$4,151,246</b>	<b>\$3,813,154</b>

- The EMS Commission Budget has declined by approximately \$1,875,218 from its peak in 2008 (approximately 33 percent). Part of the decline is attributable to the transfer of operational ambulance responsibility from the EMS Commission to the Central Valley Ambulance Authority. Additional reductions have been developed to achieve a balanced budget each year including the continuation of 12 closure days in 2012 for which administrative employees within the EMS Commission and CVAA are not compensated.
- Levy Revenues have declined approximately \$310,224 (approximately 14 percent).
- Other Revenue sources such as interest income and timber taxes have declined.
- The EMS System will have to utilize other funding sources such as the fund balance to meet annual operating expenses.
- The EMS Commission has aggressively reduced administrative expenditures while maintaining primary subsidy support for the provision of advanced life support services.

The impact of declining revenues has also had an impact on the ambulance providers in the system. Specifically, in 2011, the Central Valley Ambulance Authority terminated 18 employees and eliminated one basic life support ambulance in order to balance the budget. This unit, while principally utilized for inter-facility transfers where advanced life support capability was not required, also served to function during periods of peak surge as a backup to the advanced life support ambulances. Similarly, the services provided by Aero Skagit are at risk if there are further declines in revenue; without additional financial support in the future, Aero Skagit may have to reduce service levels to the largest geographic area served by a single provider in Skagit County, an area encompassing approximately 1,000 square miles.

**Capital Budget:** In addition to financially assisting the ambulance transport providers through an annual subsidy, the EMS Commission also provides funding for capital equipment such as ambulances and cardiac monitors. The Commission has an established policy with respect to the replacement of ambulances when certain thresholds have been reached (including mileage, major repairs in excess of the book value, or major damage that makes the vehicle unsafe to operate). Most recently the funding

has been established at \$175,000 for the replacement of an ambulance. Any cost in procurement of a unit beyond this level is the responsibility of the service provider. Some exceptions are noted such as the Aero Skagit units which, given the vast rural and wilderness area served, require four wheel drive ambulances in order to be able to operate in all-weather extremes. Whenever an ambulance is replaced with a new unit, the old unit is provided to other first responders to assist should the need arise in a back-up capacity. Distribution of front line and reserve units are reflected in the chart below:

**Figure 17: Current EMS System Ambulance Fleet**

Skagit County EMS System Ambulance Fleet				
Anacortes Fire Department	Unit	Model	Year	Mileage
ALS Ambulance	Medic 14	International (4400)	2007	44,631
ALS Ambulance	Medic 2	International (4400)	2004	123,152
ALS Ambulance	Medic 16	International (4400)	2002	127,084
Reserve Ambulance	Medic 18	Ford E350	1995	109,997
<b>Aero Skagit</b>				
ALS Ambulance	Med 7	Ford E350	2006	102,550
ALS/BLS Ambulance	Aid 10	Ford E350	2001	167,712
Reserve Ambulance	Aid 10	Ford E350	1996	122,273
<b>Central Valley Ambulance Authority</b>				
Ambulance (Med 1)	21	E450	2011	28,722
Ambulance (Med 2)	18	E450	2008	124,287
Ambulance (Med 3)	17	E450	2008	59,166
Ambulance (Med 4)	20	E450	2009	28,255
Reserve Ambulance	16	F450	2006	111,719
Reserve Ambulance	12	E450	2005	211,508
Reserve Ambulance	11	F450	2005	126,209
Reserve Ambulance	2	E450	2003	149,084

Based on ESCI’s analysis of the demand the system will face in the future, rising commodity prices, personnel and organizational expense, as well as the need for additional capital expenditures, the following table reflects the anticipated costs that can be realistically forecast over the course of the next six year levy period.

Figure 18: Projected Expenditures, 2013 - 2018

Skagit County EMS Commission—Pro Forma Budget						
Expenditures	2013	2014	2015	2016	2017	2018
Training	\$426,520	\$443,580	\$461,324	\$479,777	\$498,968	\$518,926
Administration	\$3,539,161	\$3,680,727	\$3,791,149	\$3,904,883	\$4,022,030	\$4,142,691
a. System Subsidy Expenditures	\$2,859,712	\$2,974,100	\$3,093,064	\$3,216,787	\$3,345,458	\$3,479,277
Capital Expenditures < \$5000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total Current Budget Projections</b>	<b>\$3,975,680</b>	<b>\$4,134,307</b>	<b>\$4,262,472</b>	<b>\$4,394,660</b>	<b>\$4,530,997</b>	<b>\$4,671,617</b>
<b>Additional Projected Expenditures</b>						
b. System Analysis & Management Plan	\$100,000					
c. Staffing	\$100,000	\$179,000	\$186,160	\$193,606	\$201,351	\$209,405
d. Surge Capacity	\$150,000	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000
Capital Expenditures						
e. E-911 System Improvements	\$125,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
f. Ambulance Replacement		\$175,000	\$180,250	\$185,658	\$191,227	\$196,964
g. Cardiac Monitor Replacements	\$455,000					
<b>Total Add'l Projected Expenditures</b>	<b>\$930,000</b>	<b>\$529,000</b>	<b>\$591,410</b>	<b>\$604,264</b>	<b>\$667,578</b>	<b>\$681,369</b>
<b>Total Projected EMS System Expenditures</b>	<b>\$4,905,680</b>	<b>\$4,663,307</b>	<b>\$4,853,882</b>	<b>\$4,998,924</b>	<b>\$5,198,575</b>	<b>\$5,352,986</b>

- a. The level of provider subsidy is identified recognizing it is the largest system expenditure. This expenditure reflects an annual increase adjustment of 4 percent. This adjustment accounts for expected increases in normal annual operating expenditures, (i.e. fuel, maintenance, medical supplies, etc.)
- b. Funding to conduct a comprehensive analysis of the EMS System and the development of an EMS system management plan is recommended to determine optimum system design, deployment and governance structure.
- c. The Central Valley Ambulance Authority has been operating without a manager for the last two years and is not able to fill this position without additional financial support from the Commission. We believe it is imperative that funding be provided to assist the provider with the appropriate administrative capability and authority to manage this vital program of service. Also included is additional staffing expense for a position to assist the Medical Director with the system's quality assurance program.
- d. Provides additional funding to ensure that surge capacity (the ability to add additional back-up units to the system when call volume exceeds available resources, disasters or major incidents impact the system's front-line capability) exists within the system. Expenditures increase in two

year intervals to ensure that the surge program is able to respond to any potential increase in demand for services.

- e. Funding will be required for expenditures associated with the implementation of the Mobile Data Terminal (MDT) program for frontline ambulances and some supervisory vehicles. It is anticipated that an initial commitment to the system will consist of 12 MDTs at an approximate cost of \$10,000 per unit. Upgrades to the Spillman™ computer aided dispatch System are planned for FY 2013 and the EMS Commission will bear some financial responsibility for this upgrade. Further, additional funding is programmed to allow further expansion of the MDT program based on a comprehensive system analysis.
- f. The EMS Commission has established broad guidelines that does not guarantee, but plans for the scheduled replacement of ambulances based on various metrics including vehicle mileage, age, mechanical condition, book value, and other considerations. Clearly, mileage is an important component for consideration in vehicle replacement decisions. Based on actual mileage, five of the ambulances used as front line units exceed the mileage threshold for replacement consideration. Discussions with the transport agencies indicate an impending need for the replacement of at least five ambulances.
- g. Current cardiac monitors are 15 years old and have reached both technological obsolescence as well as life expectancy with replacement of all monitors scheduled in 2013.

EMS Fund Balance: The EMS Commission maintains an operating fund balance to ensure current expenditures can be met until levy tax receipts are received bi-annually. Current expenditures include monthly subsidy payments to provider agencies, salaries and expenses for training, and system administration. In the absence of an operating fund the Commission would have to rely on other sources of revenue such as tax anticipation notes to sustain monthly expenditures. In addition to funding routine operations the fund balance is also utilized to provide revenue for planned capital expenditures such as the replacement of ambulances. ESCI estimates that as of January 1, 2012, the system had a fund balance of approximately \$2,600,000 with monthly expenditures of approximately \$331,000 funded from this balance until the first tax collections. It is recommended that the current fund balance be maintained to ensure sufficient revenue is available for the scheduled capital expenditures as well as the routine operational funding requirements.

## IMPACT OF ALTERNATIVE LEVY RATES ON THE EMS SYSTEM

ESCI was specifically tasked with identifying alternative levy rates for consideration by the Skagit County Board of Commissioners and the impact of those rates in sustaining the provision of advanced life support services to the citizens of Skagit County. It is clear from ESCI’s analysis that the amount of revenue available to support the system will continue to be adversely impacted in the short term by a continued decline in property valuations (6 percent) and a slow growth economic environment (2 percent annually). In the long term, we anticipate that revenues generated by user fees will also decline as the impact of the national health care reform comes to fruition, the burden of the federal deficit and the influx of the “graying” population entering retirement age. According to the Pew Research Center’s population projections, “On January 1, 2011, the oldest Baby Boomers will turn age 65. Every day for the next 19 years, about 10,000 more will cross that threshold.”<sup>13</sup> Skagit County will not be immune to a growth in its aging population. **It is clear that transport revenues which currently account for approximately 50 percent of the financial support for the system will be increasingly pressured and that a greater reliance on the levy will be needed to support the EMS System in Skagit County.**

Figure 19: Recommended Levy Rate

Alternative Levy Rates to Support the EMS System							
		2013	2014	2015	2016	2017	2018
Assessed Value (000,000s)		\$14,042	\$13,620	\$14,029	\$14,310	\$14,596	\$14,888
Projected Budget							
Levy Rates	\$ 0.25	\$3,510,526	\$3,405,211	\$3,439,263	\$3,473,655	\$3,508,392	\$3,543,476
	\$ 0.30	\$4,212,632	\$4,086,253	\$4,127,115	\$4,168,387	\$4,210,070	\$4,252,171
	\$ 0.35	\$4,914,737	\$4,767,295	\$4,814,968	\$4,863,118	\$4,911,749	\$4,960,866
<b>Recommended</b>	<b>\$ 0.375</b>	<b>\$5,265,790</b>	<b>\$5,107,816</b>	<b>\$5,158,894</b>	<b>\$5,210,483</b>	<b>\$5,262,588</b>	<b>\$5,315,214</b>
	\$ 0.40	\$5,616,842	\$5,448,337	\$5,502,820	\$5,557,849	\$5,613,427	\$5,669,561

### The Impact of No EMS Levy

If the levy measure fails, ESCI projects that the impact on the EMS System will be immediate and severe. Recognizing that the levy supports approximately 50 percent of the cost of the transport providers, the project team estimates half of the current front-line ambulances will have to be taken out of service along with a commensurate loss of jobs. EMS response times that are currently in compliance with national standards will be grossly increased and may result in significantly long wait times for critically ill patients requiring immediate transport to an emergency room or trauma center. Not only will EMS response be affected, but fire service response to structure fires may be adversely impacted as dual role firefighter-paramedic ranks may be reduced to compensate for the loss of subsidy.

<sup>13</sup> Pew Research Center. Survey Findings about America’s Largest Generation, D’Vera Cohn and Paul Taylor. December 2010.

It is ESCI’s opinion that failure of the levy would have a devastating impact on the provision of advanced life support services to the community and therefore do not consider this as a viable option.

### The Impact of Continuing the Current Levy Rate

The current EMS levy rate has reached its voter-approved cap. Revenues and expenditure trend lines indicate that additional budget reductions may be required to meet declining revenues. While subsidies for ALS have not been impacted to date, future subsidies to ambulance service providers and other support systems will have to be reduced since this funding represents the single largest expenditure within the EMS Commission Budget. The Commission could utilize available fund balance to offset the first year loss of revenues; however, this would have adverse consequences in subsequent years to fund the additional capital expenditures and other system requirements. ESCI anticipates that as a first step to offset the loss of revenue associated with maintaining the current levy, CVAA would have to reduce the operating hours of at least one of its front line ambulances, making fewer units available on a 24-hour basis. In addition, ESCI anticipates funding reductions to the injury prevention/training program, administrative programs, and other system support such as first responder assistance. Funding for the capital improvement plan would have to be curtailed resulting in fewer new ambulances, cardiac monitors, or other system improvements.

Figure 20: The Financial Impact of Continuing the Current Rate (\$0.25 per \$1,000 TAV)

Anticipated Financial Impact, Status Quo							
		2013	2014	2015	2016	2017	2018
Assessed Value (000,000s)		\$14,042	\$13,620	\$14,029	\$14,310	\$14,596	\$14,888
Medic One Levy	\$0.25	\$3,510,526	\$3,405,211	\$3,439,263	\$3,473,655	\$3,508,392	\$3,543,476
Other Revenue		\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
Total Revenue		\$3,698,026	\$3,592,711	\$3,626,763	\$3,661,155	\$3,695,892	\$3,730,976
Projected Budget		\$4,905,680	\$4,663,307	\$4,853,882	\$4,998,924	\$5,198,575	\$5,352,986
Surplus (Deficit)		(\$1,207,654)	(\$1,070,597)	(\$1,227,120)	(\$1,337,768)	(\$1,502,683)	(\$1,622,010)

In analyzing the current levy, ESCI also reviewed the impact of a \$0.05 levy increase to \$0.30. As indicated in the analysis of the current levy rate, a marginal increase of \$0.05 would not provide sufficient revenues to sustain current operations. Under either scenario the system would face deficits in the first year in which the new levy rate would be in effect.

Figure 21: The Financial Impact of Levy Rate at \$0.30 per \$1,000 TAV

Anticipated Financial Impact, \$0.05 Increase							
		2013	2014	2015	2016	2017	2018
Assessed Value (000,000s)		\$14,042	\$13,620	\$14,029	\$14,310	\$14,596	\$14,888
Medic One Levy	\$0.30	\$4,212,632	\$4,086,253	\$4,127,115	\$4,168,387	\$4,210,070	\$4,252,171
Other Revenue		\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
Total Revenue		\$4,400,132	\$4,273,753	\$4,314,615	\$4,355,887	\$4,397,570	\$4,439,671
Projected Budget		\$4,905,680	\$4,663,307	\$4,853,882	\$4,998,924	\$5,198,575	\$5,352,986
Surplus (Deficit)		(\$505,549)	(\$389,555)	(\$539,267)	(\$643,037)	(\$801,005)	(\$913,315)

It is ESCI's opinion that neither levy rate (\$0.25 or \$0.30) provides an acceptable level of advanced life support services for the community and will result in degradation of current service levels.

### Maintain Current Service Levels

In order to maintain current/historic service levels ESCI analyzed other levy rates to determine the optimum rate to sustain the current operations over the course of the next six years. The first of those analyses consisted of calculating the impact of a levy rate established at \$0.35 per \$1,000 TAV. As one can readily determine at this rate, revenues become positive for the system through 2016. However due to the statutory limitation of 1 percent growth in revenue a levy rate at this level would not be able to maintain the current level of service in the later years of the levy.

Figure 22: The Financial Impact of Levy Rate at \$0.35 per \$1,000 TAV

Anticipated Financial Impact, \$0.10 Increase							
		2013	2014	2015	2016	2017	2018
Assessed Value (000,000s)		\$14,042	\$13,620	\$14,029	\$14,310	\$14,596	\$14,888
Medic One Levy	\$ 0.35	\$4,914,737	\$4,767,295	\$4,814,968	\$4,863,118	\$4,911,749	\$4,960,866
Other Revenue		\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
Total Revenue		\$5,102,237	\$4,954,795	\$5,002,468	\$5,050,618	\$5,099,249	\$5,148,366
Projected Budget		\$4,905,680	\$4,663,307	\$4,853,882	\$4,998,924	\$5,198,575	\$5,352,986
Surplus (Deficit)		\$196,557	\$291,488	\$148,586	\$51,694	(\$99,326)	(\$204,619)

It should be recognized that the current economy is subject to additional distortions not only from abroad with the European debt crisis, Middle East oil supply concerns, and other factors beyond domestic control that have the potential to further impact or even stall the current recovery. The recent trend in domestic fuel prices can serve as testimony to the fragile state of the recovery. In addition, ESCI anticipates further declines of approximately 6 percent in property values over the course of the next two years before stabilizing. It should be recognized that this forecast is subject to change predicated on the various factors indicated. A loss of an additional 2 percent of property value (approximately \$280,000) beyond the forecast would essentially erode the positive gain in revenue noted early in the six-year levy period. In light of the fragility of the economy and an uncertain future, reliance on a levy at this rate could result in a situation not unlike the current situation in which the levy is unable to provide sufficient revenues to maintain expected and continuous service levels. Services that citizens will expect to be maintained through their support of a levy increase.

To sustain existing services and provide sufficient flexibility to absorb additional economic declines in our opinion necessitates an increase in the levy to \$0.375 cents. This level of funding would allow the scheduled replacement of the fleet, provide funding for essential management and administration of the CVAA, replace cardiac monitors, allow for normal market increases in the price of commodities and supplies utilized by the ambulance transport providers, and maintain current funding reserves to meet operational financial requirements and ensure that the citizens continue to receive the expected level of service they have historically enjoyed.

**Figure 23: The Financial Impact of Levy Rate of \$0.375 per \$1,000 TAV**

Anticipated Financial Impact, \$0.125 Increase							
		2013	2014	2015	2016	2017	2018
<b>Assessed Value (000,000s)</b>		\$14,042	\$13,620	\$14,029	\$14,310	\$14,596	\$14,888
<b>Medic One Levy</b>	\$0.375	\$5,265,790	\$5,107,816	\$5,158,894	\$5,210,483	\$5,262,588	\$5,315,214
<b>Other Revenue</b>		\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
<b>Total Revenue</b>		\$5,453,290	\$5,295,316	\$5,346,394	\$5,397,983	\$5,450,088	\$5,502,714
<b>Projected Budget</b>		\$4,905,680	\$4,663,307	\$4,853,882	\$4,998,924	\$5,198,575	\$5,352,986
<b>Surplus (Deficit)</b>		<b>\$547,609</b>	<b>\$632,009</b>	<b>\$492,512</b>	<b>\$399,059</b>	<b>\$251,513</b>	<b>\$149,728</b>

In addition, ESCI recommends that a comprehensive system analysis be conducted to determine how to structure the most effective EMS system for the future delivery of advanced life support services. This should include the **development of a plan that allows for proper planning and implementation of system initiatives and recommendations** in a timely and cost effective manner prior to any future levy initiatives. ESCI recognizes that the recommended funding level maintains current service levels;

however, it is not sufficient to add additional capacity to the system. The recommended funding level provides some flexibility to the Commission in maintaining continuous delivery of emergency medical services.

**In ESCI’s opinion this option provides an acceptable level of service to the community in its current format and provides limited ability of the system to rapidly respond to changes in both the economic and health care environment.**

### Improve Current Service Levels

Based upon our limited scope of work and on-site evaluation, ESCI believes there are opportunities to properly position the system to meet the future emergent needs of the citizens of Skagit County. However, since we were engaged in assisting in the analysis of the levy rate to maintain the current system rather than a comprehensive analysis of the system, the project team has insufficient information or data to quantify the future financial requirements that may result from a comprehensive systems analysis. We therefore would not be able to defend an increase in the levy rate in excess of the recommended level of \$0.375 per \$1,000 TAV.

**Figure 24: The Financial Impact of Levy Rate at \$0.40 per \$1,000 TAV**

Anticipated Financial Impact, \$0.15 Increase							
		2013	2014	2015	2016	2017	2018
<b>Assessed Value (000,000s)</b>		\$14,042	\$13,620	\$14,029	\$14,310	\$14,596	\$14,888
<b>Medic One Levy</b>	\$0.40	\$5,616,842	\$5,448,337	\$5,502,820	\$5,557,849	\$5,613,427	\$5,669,561
<b>Other Revenue</b>		\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
<b>Total Revenue</b>		\$5,804,342	\$5,635,837	\$5,690,320	\$5,745,349	\$5,800,927	\$5,857,061
<b>Projected Budget</b>		\$4,905,680	\$4,663,307	\$4,853,882	\$4,998,924	\$5,198,575	\$5,352,986
<b>Surplus (Deficit)</b>		\$898,662	\$972,530	\$836,438	\$746,425	\$602,352	\$504,076

ESCI recommends the Skagit County Board of Commissioners engage subject matter expertise to assist the County and EMS Commission in conducting a comprehensive evaluation of the Skagit County EMS System along with the develop of a management plan that will allow for a planned, programmed and methodical process for system improvements.

## APPENDIX – EMS Levy Rates in the State of Washington

Figure 25: EMS Levy Rates in the State of Washington

Local Property Tax Detail State of Washington EMS Taxing Districts, 2011 <sup>14</sup>				
County	Taxing District	Valuation	Regular Levy Rate	Levy Due in 2011
Benton	EMS Fire Dist #2	357,769,991	0.5000	178,885
Benton	EMS Fire Dist #4	1,051,118,398	0.5000	525,559
Chelan	EMS HOSP#1	2,074,810,027	0.5000	1,037,405
Chelan	EMS HOSP#2	2,582,524,615	0.3100	800,583
Clallam	EMS - Fire #3 (2011-2020)	4,384,243,249	0.5000	2,192,122
Clallam	EMS - Hospital #1 (2009-201	462,324,432	0.2237	103,440
Clark	EMS Camas 2006-2012	2,555,385,949	0.3500	894,385
Clark	EMS Dist. 1 North Country	1,115,395,601	0.5000	557,698
Clark	EMS East Co Fire/Rescue 200	1,122,899,514	0.3500	393,015
Clark	EMS FD #6 2011-	5,556,032,381	0.4500	2,500,215
Clark	EMS Washougal	1,211,382,103	0.5000	605,691
Clark	EMS Yacolt	77,477,902	0.5000	38,739
Cowlitz	EMS Dist. #4-Reg (2003)	25,255,227	0.3558	8,985
Cowlitz	EMS Fire Dist #3	285,452,145	0.2001	57,118
Cowlitz	EMS North Country (#1)	174,260,625	0.4942	86,113
Douglas	EMS FD #15 (6&7) Joint	76,442,827	0.4622	35,329
Ferry	EMS - City Regular	46,568,325	0.1881	8,760
Ferry	EMS #1	211,953,744	0.2368	50,179
Ferry	EMS #3	128,654,454	0.1952	25,116
Grant	EMS Fire Dist #10	255,057,756	0.2166	55,235
Grant	EMS Fire Dist #11	174,107,146	0.1938	33,745
Grant	EMS Fire Dist. #3	866,681,544	0.3320	287,773
Grant	EMS Fire Dist. #8	414,274,210	0.1609	66,657
Grays Harbor	EMS Cosmopolis	119,843,102	0.4387	52,574
Grays Harbor	EMS Fire #10	169,171,366	0.4823	81,586
Grays Harbor	EMS Fire #11 Special	144,139,347	0.3045	43,883
Grays Harbor	EMS Fire #14 Special	112,378,899	0.4050	45,518
Grays Harbor	EMS Fire #15	33,958,938	0.4452	15,118
Grays Harbor	EMS Fire #16	42,367,144	0.5000	21,184
Grays Harbor	EMS Fire #2	521,472,563	0.4091	213,312
Grays Harbor	EMS Fire #3 Special	67,995,923	0.3076	20,917
Grays Harbor	EMS Fire #4	58,197,094	0.2366	13,767
Grays Harbor	EMS Fire #6	73,395,325	0.3684	27,035
Grays Harbor	EMS Fire #7	178,223,041	0.3360	59,883
Grays Harbor	EMS Fire 17 ( -2009)	35,813,372	0.3811	13,650
Grays Harbor	EMS Hoquiam	464,442,947	0.5000	232,221
Grays Harbor	EMS Mason Co Fire #12 Joint	10,176,321	0.3143	3,198
Grays Harbor	EMS Westport Special	345,547,806	0.4920	170,000

<sup>14</sup> Source, State of Washington, Department of Revenue, Property Tax Reports. More detail can be found at: [http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2011/Property\\_Tax\\_Statistics\\_2011](http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2011/Property_Tax_Statistics_2011)

Local Property Tax Detail State of Washington EMS Taxing Districts, 2011 <sup>14</sup>				
County	Taxing District	Valuation	Regular Levy Rate	Levy Due in 2011
Island	EMS FD #1	3,344,430,159	0.5000	1,672,215
Island	EMS Hospital Dist #1	9,705,059,868	0.5000	4,852,530
Jefferson	EMS FD #1	1,834,753,305	0.5000	917,377
Jefferson	EMS FD #3	1,267,918,475	0.5000	633,959
Jefferson	EMS FD #4 2010-2015	266,801,685	0.5000	133,401
Jefferson	EMS FD #5	89,054,570	0.5000	44,527
Jefferson	EMS FD #8	78,965,300	0.5000	39,483
Jefferson	EMS Port Townsend	1,463,343,405	0.5000	731,672
King	EMS County wide	328,630,628,411	0.3000	98,589,093
King	EMS Milton Joint	91,308,767	0.2000	18,262
Kitsap	EMS Bremerton	2,748,747,794	0.5000	1,374,374
Kitsap	EMS FD #2 Bainbridge Island	5,642,373,993	0.4000	2,256,950
Kitsap	EMS FD Dist #1 Silverdale(C	7,181,390,143	0.5000	3,590,695
Kitsap	EMS FD Dist #10 North Kitsa	2,745,732,897	0.5000	1,372,866
Kitsap	EMS FD Dist #18 No Kitsap/P	3,308,285,482	0.5000	1,654,143
Kitsap	EMS FD Dist #7 South Kitsap	6,765,917,086	0.5000	3,382,959
Kittitas	Hospital Dist #2 EMS	3,136,934,823	0.2500	784,234
Klickitat	EMS - Hospital #2	1,522,009,418	0.2874	437,439
Lewis	EMS Chehalis 2010-15	632,359,410	0.3610	228,273
Lewis	EMS FD #1 2010-15	224,498,597	0.3500	78,575
Lewis	EMS FD #10	213,431,968	0.2066	44,086
Lewis	EMS FD #15 2009-14	496,413,245	0.2500	124,103
Lewis	EMS FD #17 2009-14	31,022,657	0.4010	12,440
Lewis	EMS FD #18 2009-14	60,124,229	0.1779	10,693
Lewis	EMS FD #2 2010-15	381,970,631	0.5000	190,985
Lewis	EMS FD #3	202,376,981	0.3865	78,224
Lewis	EMS FD #6	1,119,659,561	0.2436	272,706
Lewis	EMS FD #9	57,140,302	0.4028	23,013
Lewis	EMS Regional Fire Authority	2,432,270,605	0.4967	1,207,994
Lincoln	EMS City of Sprague	14,501,897	0.4839	7,018
Lincoln	EMS Fire District #1 (2011-	61,083,647	0.5000	30,542
Mason	EMS - Shelton 2011-16	748,320,217	0.3479	260,348
Mason	EMS Dist. #11 2011-16	187,591,020	0.2500	46,898
Mason	EMS Dist. #12 Joint	139,864,629	0.3143	43,955
Mason	EMS Dist. #13 2011-16	173,519,373	0.5000	86,760
Mason	EMS Dist. #17 2011-16	162,423,571	0.2500	40,606
Mason	EMS Dist. #18 2011-16	301,343,426	0.2500	75,336
Mason	EMS Dist. #2	1,443,202,245	0.3989	575,737
Mason	EMS Dist. #5 2010-15	2,439,107,996	0.2457	599,386
Mason	EMS Dist. #8 2008-13	231,563,050	0.2289	53,002
Okanogan	EMS Brewster (2009-2014)	110,256,467	0.4425	48,793
Okanogan	EMS Fire #15 Joint (2009-20	278,662,129	0.4622	128,788
Okanogan	EMS Methow Valley Rural	1,189,924,779	0.3035	361,081
Okanogan	EMS Oroville - City	100,567,801	0.1859	18,700
Okanogan	EMS Oroville - Rural	552,109,350	0.1188	65,588

Local Property Tax Detail State of Washington EMS Taxing Districts, 2011 <sup>14</sup>				
County	Taxing District	Valuation	Regular Levy Rate	Levy Due in 2011
Okanogan	EMS Pateros (2009-2014)	43,429,260	0.4700	20,412
Okanogan	EMS Tonasket	451,746,919	0.3150	142,284
Okanogan	EMS Twisp City	87,341,604	0.5000	43,671
Okanogan	EMS Winthrop City	104,004,844	0.3191	33,185
Pacific	EMS FD #1 (2009-2014)	1,369,121,162	0.4878	667,875
Pacific	EMS FD #5	105,178,822	0.3319	34,906
Pacific	EMS FD#15 Joint - Grays	12,888,122	0.4452	5,737
Pacific	EMS Pacific Co(part)	639,491,802	0.4702	300,701
Pierce	EMS Buckley (2011-2016)	385,907,885	0.5000	192,954
Pierce	EMS Carbonado	35,950,123	0.3272	11,763
Pierce	EMS Dupont	1,278,881,240	0.4489	574,086
Pierce	EMS Eatonville (2007- 2016)	197,038,758	0.5000	98,519
Pierce	EMS FD #10	2,257,903,175	0.5000	1,128,952
Pierce	EMS FD #13	414,588,461	0.3432	142,293
Pierce	EMS FD #14	168,073,926	0.5000	84,037
Pierce	EMS FD #16 ( -2010)	2,161,544,765	0.5000	1,080,772
Pierce	EMS FD #17 ( -2011)	1,687,080,484	0.5000	843,540
Pierce	EMS FD #18 ( -2009)	1,110,439,540	0.5000	555,220
Pierce	EMS FD #2	5,514,443,420	0.5000	2,757,222
Pierce	EMS FD #21 (2008-2013)	5,098,291,259	0.5000	2,549,146
Pierce	EMS FD #22 (1 & 12 & 20)	9,210,532,082	0.5000	4,605,266
Pierce	EMS FD #23 (2009 - 2014)	142,952,376	0.4900	70,040
Pierce	EMS FD #26	135,529,347	0.3716	50,363
Pierce	EMS FD #27 (2008-2013)	292,962,057	0.5000	146,481
Pierce	EMS FD #3	3,102,391,235	0.5000	1,551,196
Pierce	EMS FD #5 (2009-2014)	8,214,922,485	0.3500	2,875,223
Pierce	EMS FD #6 (2007-2012)	17,533,547,062	0.5000	8,766,774
Pierce	EMS Fircrest (2009-2014)	637,921,806	0.5000	318,961
Pierce	EMS Milton #9 Joint	606,328,112	0.2001	121,303
Pierce	EMS South Prairie (2006-11)	31,943,095	0.5000	15,972
Pierce	EMS Steilacoom (2010-2016)	695,390,669	0.4306	299,437
Pierce	EMS Tacoma	19,033,502,788	0.5000	9,516,751
San Juan	EMS - San Juan Hosp Dist 2	3,503,872,461	0.3512	1,230,443
Skagit	EMS	15,192,574,831	0.2500	3,798,246
Skagit	EMS Fire District #24 Joint	17,898,150	0.4955	8,868
Skamania	EMS Hosp #1 Co-wide	1,332,256,061	0.2500	333,064
Snohomish	EMS Arlington	2,018,675,444	0.4646	937,876
Snohomish	EMS Bothell	3,073,475,024	0.2116	650,323
Snohomish	EMS Brier	757,814,454	0.5000	378,907
Snohomish	EMS Edmonds	6,433,258,853	0.5000	3,216,629
Snohomish	EMS Everett	12,363,443,145	0.5000	6,181,722
Snohomish	EMS FD #1	13,039,725,601	0.5000	6,519,863
Snohomish	EMS FD #10 2006-11	969,533,334	0.2253	218,412
Snohomish	EMS FD #12	1,706,356,977	0.5000	853,178
Snohomish	EMS FD #15	392,324,595	0.2500	98,081

Local Property Tax Detail State of Washington EMS Taxing Districts, 2011 <sup>14</sup>				
County	Taxing District	Valuation	Regular Levy Rate	Levy Due in 2011
Snohomish	EMS FD #17 2010-15	1,139,043,128	0.4524	515,334
Snohomish	EMS FD #19 2011-	395,218,341	0.5000	197,609
Snohomish	EMS FD #21 2006-11	895,622,830	0.5000	447,811
Snohomish	EMS FD #22	570,167,218	0.4494	256,216
Snohomish	EMS FD #23 2006-11	43,847,806	0.4339	19,023
Snohomish	EMS FD #24 Joint 2011-	315,126,652	0.4955	156,132
Snohomish	EMS FD #25 2011-	112,581,801	0.5000	56,291
Snohomish	EMS FD #26	365,432,079	0.5000	182,716
Snohomish	EMS FD #28-2 2011-16	83,274,548	0.5000	41,638
Snohomish	EMS FD #3	3,057,015,613	0.5000	1,528,508
Snohomish	EMS FD #4 2008-13	3,432,861,689	0.3500	1,201,502
Snohomish	EMS FD #5	758,782,045	0.3669	278,389
Snohomish	EMS FD #7 2011-	7,323,451,271	0.5000	3,661,726
Snohomish	EMS FD #8	4,205,120,680	0.3392	1,426,228
Snohomish	EMS Lynnwood 2010-19	4,726,403,303	0.5000	2,363,202
Snohomish	EMS Marysville	5,357,774,475	0.5000	2,678,887
Snohomish	EMS Mill Creek(2011-16)	2,660,873,179	0.4500	1,197,393
Snohomish	EMS Mountlake Terrace	2,033,992,888	0.5000	1,016,996
Snohomish	EMS Mukilteo	3,541,494,541	0.5000	1,770,747
Snohomish	EMS North County Regional F	1,874,022,485	0.5000	937,011
Snohomish	EMS Stanwood	714,934,054	0.5000	357,467
Spokane	EMS City of Cheney 2007-12	512,499,975	0.4479	229,542
Spokane	EMS City of Medical Lake 20	239,613,963	0.4509	108,034
Spokane	EMS City of Rockford (2011-	25,737,323	0.3885	10,000
Spokane	EMS City of Spokane (2011-2	15,194,337,010	0.5000	7,597,169
Spokane	EMS FD #10 (2011-2020)	924,927,385	0.5000	462,464
Spokane	EMS FD #11 2010-15	57,014,506	0.3500	19,955
Spokane	EMS FD #12 2009-14	46,030,765	0.4345	20,000
Spokane	EMS FD #13 2008-13	309,482,815	0.5000	154,741
Spokane	EMS FD #2	50,439,320	0.4630	23,352
Spokane	EMS FD #4 (2011-2016)	2,808,788,061	0.3300	926,900
Spokane	EMS FD #8	2,366,945,996	0.5000	1,183,473
Stevens	Fire Dist. #1 EMS	1,160,106,462	0.2700	313,229
Stevens	Fire Dist. #8 EMS	39,530,744	0.2438	9,636
Thurston	EMS - Medic One	27,144,068,081	0.3365	9,134,071
Wahkiakum	EMS (2009-2014)	472,288,110	0.2451	115,739
Walla Walla	EMS (2009-2014)	4,840,327,467	0.4973	2,406,984
Whatcom	EMS Dist. #11	258,437,222	0.1400	36,181
Whatcom	EMS Dist. #18	249,250,010	0.3039	75,737
Whatcom	EMS Dist.#16	136,064,686	0.4500	61,229
Whitman	EMS City of Albion	18,346,695	0.3866	7,093
Whitman	EMS Fire Dist #04	45,156,200	0.4071	18,384
Whitman	EMS Fire Dist #07	80,257,786	0.4210	33,791
Whitman	EMS Fire Dist #12	188,009,557	0.4361	81,995
Whitman	EMS City of Palouse	48,554,258	0.3564	17,306

<b>Local Property Tax Detail State of Washington EMS Taxing Districts, 2011<sup>14</sup></b>				
<b>County</b>	<b>Taxing District</b>	<b>Valuation</b>	<b>Regular Levy Rate</b>	<b>Levy Due in 2011</b>
Whitman	EMS City of Pullman	1,324,941,099	0.4044	535,854
Yakima	EMS	15,056,805,667	0.2148	3,234,433



**Corporate Offices**  
25200 SW Parkway Avenue, Suite 3  
Wilsonville, Oregon 97070  
800.757.3724

**Eastern Region Office**  
111 Kilson Drive, Suite 208  
Mooresville, North Carolina 28117  
704.660.8027

**National Capital Region Office**  
4025 Fair Ridge Drive  
Fairfax, Virginia 22033  
703.273.0911