

EMS Final Report Motion

Introduced By: Larry Gossett
Larry Phillips

DS sub 9/21/99
clerk 9/27/99

Proposed No.: 1999-0311

MOTION NO. **10779**

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A MOTION related to King County council adoption of the Final Report of the Emergency Medical Services Financial Planning Task Force and establishing a new Emergency Medical Services 2002 Task Force to update the Emergency Medical Services Strategic Plan for the next funding period.

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WHEREAS, the Emergency Medical Services/Medic One system in King County is an integrated regional network of basic and advanced life support services provided by the county, cities and fire districts, and

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WHEREAS, the Emergency Medical Services Financial Planning Task Force was established by Ordinance 12960 to analyze long-term funding alternatives that would allow the county to reduce its reliance on property tax levies to support emergency medical services, and

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WHEREAS, the Emergency Medical Services Financial Planning Task Force was asked to identify and recommend possible efficiencies and operational models that could reduce or otherwise contain long-term as well as interim cost of the system, and

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WHEREAS, the Emergency Medical Services Financial Planning Task Force was composed of representatives of King County, Seattle, Bellevue, Shoreline, Kent, Federal

1 Way, smaller suburban cities, fire districts and citizens from unincorporated King County,
2 and

3 WHEREAS, the Emergency Medical Services Financial Planning Task Force finds
4 that a regional approach to the provision of emergency medical services, including the
5 funding of those services, helps to ensure an accountable, efficient and cost-effective
6 system, and

7 WHEREAS, King County, the cities, fire districts and others should maintain an
8 active and cooperative dialogue to assure the continued provision of emergency medical
9 services to the citizens of the county, and

10 WHEREAS, the final report of the Emergency Medical Services Financial Planning
11 Task Force is attached to this motion, and

12 WHEREAS, the Emergency Medical Services Financial Planning Task Force has
13 completed the work with which it was charged in Ordinance 12960, and

14 WHEREAS, the King County council finds there is now a need to establish a
15 process for updating the current Emergency Medical Services Strategic Plan for the period
16 beyond 2001;

17 NOW, THEREFORE, BE IT MOVED by the Council of King County:

18 A. The recommendations of the Emergency Medical Services Financial Planning
19 Task Force included in the attached task force report are hereby adopted as a basis for
20 continued cooperation among the jurisdictions involved in carrying out the Emergency
21 Medical Services Program with the exception of the recommendation regarding

annuation of the original Emergency Medical Services Financial Planning Task Force to monitor implementation of the recommended system efficiencies.

3 B. A new task force, to be called the Emergency Medical Services 2002 Task
4 Force, is hereby established with the goal of developing interjurisdictional agreement on an
5 updated emergency medical services strategic plan and financing package for the next
6 funding period beginning in 2002.

7 C. The Emergency Medical Services 2002 Task Force shall be composed solely of
8 elected officials or chief executive officers of cities or fire districts and shall include: the
9 King County executive; two members of the King County council at least one of whom
10 shall represent a district with a significant unincorporated area population; one
11 representative from each of the following cities: Seattle, Bellevue, Kent, Shoreline and
12 Federal Way; two representatives from King County fire districts, and two representatives
13 from cities with populations under 50,000.

14 D. The Emergency Medical Services 2002 Task Force shall provide oversight and
15 direction on development of the strategic plan update to the emergency medical services
16 division, with support from the emergency medical services division, the Emergency
17 Medical Services Advisory Committee and the Financial Staff Team as described in the
18 attached Emergency Medical Services Financial Planning Task Force Report. As its first
19 step in the update process, the new task force shall review progress in implementing the
20 current strategic plan initiatives and Emergency Medical Services Financial Planning Task
21 Force recommendations and report its findings to the county and cities December 1, 1999.

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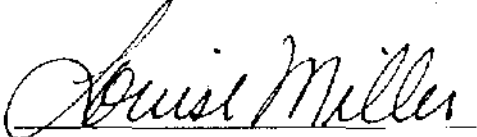
E. The new task force shall recommend an updated emergency medical services strategic plan and financing proposal to the county and cities with populations over 50,000 no later than March 31, 2001.

F. The new task force shall consider and make recommendations on the possible use of tobacco settlement money for the funding of emergency medical services.

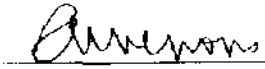
G. It is recognized that the description of the fourth option of the list of options rank ordered by the Emergency Medical Services Financial Planning Task Force, included on page 13 of the final report, does not accurately reflect what was presented to the task force. This option shall henceforth be described as follows: "Fund advanced life support services out of the growth in county current expense fund property tax revenues within existing property tax authority; fund regional services through imposition of paramedic transport fees; and, fund basic life support services through a reduced, dedicated levy for emergency medical services."

PASSED by a vote of 12 to 0 this 27th day of September, 1999.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Chair

ATTEST:


Clerk of the Council

Attachments: Final Report of the Emergency Medical Services Financial Planning Task Force



107790

**Final Report of the Emergency Medical
Financial Planning Task Force**

May, 1999

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PREFERENCES
 - CITY OF BELLEVUE
 - CITY OF FEDERAL WAY
 - CITY OF KENT
 - CITY OF SEATTLE
 - NORTH HIGHLINE FIRE DISTRICT
 - KC FIRE COMMISSIONERS ASSOCIATION

Final Report of the Emergency Medical Services Financial Planning Task Force

I. Introduction

The Emergency Medical Services (EMS) Financial Planning Task Force respectfully submits its final report to the King County Council and to the participant agencies that make up the regional EMS system. The EMS Financial Planning Task Force was created by King County Ordinance 12960 and charged as follows:

"By December 31, 1998, this task force will present to the County Council an analysis of long-term funding alternatives that would allow the County to reduce its reliance on property tax levies to support emergency medical services.

"In preparing its "analysis of long-term funding alternatives that would allow the County to reduce its reliance on property tax levies to support emergency medical services," as required by Ordinance 12849, the Task Force shall:

- 1. Explore all reasonable operational models for financing and delivering EMS services;*
- 2. Identify and recommend possible efficiencies and operational models that could reduce or otherwise contain long-term as well as interim costs of the EMS system*
- 3. Focus its long-term recommendations on alternatives to financing EMS through means other than periodically voter-approved property tax levies."*

The work of the Task Force extended beyond the December 31, 1998 deadline as the Task Force worked to finalized recommendations regarding oversight and governance, performance tracking and efficiencies and funding options. The completed text of the recommendations appears below.

II. Background

The Emergency Medical Services/Medic One system in King County is an integrated regional network of basic and advanced life support services provided by the County, cities, and fire districts. Also included in that system are 911 dispatch centers, hospitals and citizens trained in first aid and CPR. For more than 25 years this Medic One system has been an international leader in the delivery of emergency medical care.

The legislature granted local governments authority for a voter approved six-year regular property tax levy to support emergency medical services in 1979 when many communities were just beginning to provide EMS services. In 1979, the County's regional program, modeled after the successful Seattle Medic One program, was in its first year's of operation and struggling for a secure source of funding. The first levy was approved by voters that year and subsequent levies were approved in 1985, and 1991. Reauthorization of the levy in November of 1997 received a

56% "yes" vote, however, state law requires 60% approval of EMS levies. The County, cities and fire districts pieced together an interim funding package for 1998 and resubmitted the levy to the voters in February. A levy for 1999-2001 was approved with an 81% "yes" vote. As outlined above, the Task Force was created to identify alternatives to periodically voter-approved property tax levies, as well as possible operational efficiencies.

III. Membership

The membership (Attachment B) of the Task Force was set out in Ordinance 12960 and included representatives of King County, Seattle, Bellevue, Shoreline, Kent, Federal Way, smaller suburban cities, fire districts and citizens from unincorporated King County. The composition of the Task Force was not weighted by population. The five largest cities in King County were members in recognition of the provision in the state statute that requires the counties to receive authorization of cities with a population greater than 50,000 to place a county-wide EMS levy proposition on the ballot. King County Executive Ron Sims chaired the Task Force. The group was supported by an interjurisdictional staff team composed of staff from several of the agencies represented on the Task Force.

IV. Scope

The Task Force met nine times over a period of 12 months and reviewed information related to how the regional system operates and performs in comparison with other similar sized EMS systems nationally. The Task Force addressed three areas: oversight and governance of the regional EMS system; measuring and tracking system performance and identifying operational efficiencies that will help contain costs; and, analyzing alternatives to funding the system beyond 2001 when the current levy ends.

V. Findings and Recommendations

The Task Force reached consensus on recommendations regarding oversight and governance and performance tracking and efficiency initiatives. It was unable to reach consensus on funding options and is conveying four property tax based options, as rank ordered, for consideration by the County Council.

A. Oversight and Governance Recommendations:

***Objective:** Providers of dispatch, Basic Life Support (BLS) and Advanced Life Support (ALS) services should jointly monitor and make recommendations regarding the efficient operation of such services to assure a balance between regional accountability and local autonomy.*

This is currently done through the eighteen-member EMS Advisory Committee. This committee consists of physicians, EMS system managers representing advanced life support (paramedic) providers, Basic Life Support providers from cities over 50,000 as well from urban and rural fire districts, a representative from private ambulance companies, a representative from dispatch centers, labor representatives from both BLS and ALS, a representative from health plans, a citizen representative, the Director of the Public Health Department and the King County EMS Division manager.

The EMS Advisory Committee membership, duties, and meeting schedule are described in Strategic Initiative #4 of the EMS Strategic Plan (June 1997). This document has been adopted by motion of the King County Council (#10293).

The EMS Financial Planning Task Force finds that there is a need for: (1) expanded outside financial staff review of the EMS system on a regular basis, as well as (2) additional elected official oversight. To address these needs, the Task Force makes the following recommendations:

1. EMS Division: The Division should continue to serve as the central coordinator and manager of the regional EMS system. The Division should continue to strive to coordinate the regional system with Seattle to develop a seamless system of services throughout the County, in a manner that makes most efficient use of limited regional resources. The EMS Division should take the lead in preparing and coordinating reports and presentations to the County Council and the region's governments as described further below.
2. EMS Advisory Committee: The Advisory Committee serves a critical role in bringing professional EMS expertise to bear on the County's oversight of the regional system. The Task Force supports a continuation of this Committee and its current role in EMS system oversight and management.
3. Financial Staff Team: A new staff committee, the EMS Financial Staff Team (FST), should be established consisting of:
 - Two representatives from Seattle, one appointed by the City Council, and one appointed by the mayor.
 - Two representatives appointed by collective action of cities over 50,000 in population other than Seattle.
 - Two representatives appointed by the Suburban Cities Association to represent cities fewer than 50,000 in population.
 - Two representatives appointed by the King County Fire Commissioners Assoc.
 - A representative appointed by the King County Executive.
 - A representative appointed by the King County Council.

Working in concert with the EMS Advisory Committee, the FST will provide input and suggestions to the EMS Division regarding:

- Selection, development, and tracking of performance measures and system costs.
- Proposed amendments or updates to the Strategic Plan.
- Funding allocation mechanisms.
- Other financial issues.

The FST shall prepare a brief annual report to the King County Council and the EMS Financial Planning Task Force (see below). This report shall summarize the work with the EMS Division and EMS Advisory Committee, highlight key financial issues for the system, and include specific recommendations for action. Together with the EMS Advisory Committee and the EMS Division, the FST will participate in briefings of the King County Council, sub-regional groups

and EMS Financial Planning Task Force regarding the EMS system.

4. EMS Financial Planning Task Force: *The EMS Financial Planning Task Force finds that there is an interim need for the Task Force to continue in existence through approximately July, 2000, in order to:*

- Review progress toward achievement of strategic plan initiatives.
- Review progress in implementing the recommendations of the Task Force as set forth in this report, including the development of performance measures and other initiatives identified.
- Prepare a brief annual report to the King County Council, King County Executive, cities, and fire districts, providing input on issues it feels important to call to the attention of the County on the implementation of initiatives, including any recommendations for further action.
- Other issues as appropriate.

The Task Force recommends that for these purposes, the Task Force should continue to meet at least quarterly. The EMS Division, the EMS Advisory Committee, and the FST shall provide staff support to the Task Force. By July, 2000, there should be a full year experience tracking performance measures and other oversight measures, and the Task Force will then be able to report to the region's governments regarding progress and need for future actions.

While the Task Force could recommend in July, 2000, that continued inter-jurisdictional elected official oversight is needed, at this time the Task Force contemplates that successful implementation of the new oversight and accountability measures outlined in this report would allow for the Task Force to sunset in July, 2000.

5. Regional and Sub-regional Reporting: In conjunction with the EMS Advisory Committee, and the FST, the EMS Division shall prepare reports to the Task Force, the King County Council and the region's cities and fire districts summarizing the items which are listed below.

To facilitate understanding and communication of the progress made and challenges remaining for the EMS system and its component agencies, the EMS Division shall convene and facilitate twice each year a series of sub-regional meetings, to which elected officials, city managers, dispatch providers and other system service providers will be invited to review the EMS Division reports, and discuss ideas for future efforts. Such meetings and reports shall be timed to facilitate the greatest possible use of the new information in development of county, city, and fire district budgets.

- a) Implementation status of the policies, plans, and strategic initiatives included in the EMS Strategic Plan, and progress toward meeting goals. (every six months) *
- b) The costs of the EMS system, including the estimated expenditure levels and revenue assumptions for the upcoming levy year and the associated levy rate. (annual) *

- c) Information gathered from performance measure tracking. (every six months)
- d) Recommendations and reports of the EMS Financial Planning Task Force, EMS Advisory Committee, and the FST.
- c) Significant changes in the EMS system or service environment.
 - Trends in the health care industry that might affect demand for emergency medical services, including, but not limited to, enrollment criteria for and service provided by the state's Basic Health Plan. (annual) *
 - Emergency medical services provided to special populations including the elderly and citizens who are not fluent in English. (annual) *
 - Evaluation of whether specific population groups rely on emergency medical services for non-emergency health care, including development of an educational outreach plan to better inform citizens of health care options. This evaluation is due for review by the King County Council in September 1999. *
 - Track and report on national trends and the delivery of health care and emergency medical services, including but not limited to private and public sector systems. (annual)*

** KC Ordinance 12849 adopting the EMS Strategic Plan requires annual reporting to the King County Council. The Financial Planning Task Force suggests the EMS Division propose a practical means of reconciling the reporting requirements of Ordinance 12849 with these recommendations.*

B. Performance Tracking and Efficiency Initiatives Recommendations:

The EMS Financial Planning Task Force finds that there is a need for additional performance measurement and tracking in the EMS system in order to identify issues and opportunities for improvement within a provider agency and/or system-wide. The Task Force further finds that a number of specific initiatives should be implemented to enhance system efficiency. These recommendations follow.

1. Performance Measures:

- a. The King County EMS Division, in cooperation with cities, fire districts and other providers, shall implement the recommendations of the EMS Strategic Plan, including monitoring progress toward:
 - Reducing growth in demand through public education, injury and illness prevention, referral to more appropriate assistance, revising dispatch protocols, etc.
 - Reducing operating costs through development of alternative transport destinations, encouraging joint equipment and supply purchasing, etc.
- b. Effective July 1, 1999, all EMS providers should be charged with tracking and reporting workload and performance measures. Attachment A is a list of EMS system measures that are currently available or under development. The purpose of these measures is to provide (1) standard and uniform summary descriptive statistics on the growth and changes occurring in the regional EMS system, and (2) to provide relevant medical and system outcome measures to track the effectiveness and efficiencies of the regional EMS system. The EMS Division, the EMS Advisory Committee and the FST should provide direction to providers to ensure consistent measurement methods across the County. Tracking and reporting of identified performance measures should be required by contract in order to ensure consistent, uniform tracking countywide. It is noted that in the case of some service providers, and for system-wide measurement, additional funding from the County will be required to 'jump start' this tracking and reporting effort. It is critical that we ensure compatibility of data tracking systems countywide, as well as an ability to easily utilize regional and local data in regional EMS modeling efforts (such as programs testing different ALS unit placements, etc.).
- c. The results of such tracking shall be incorporated into the semi-annual report to the King County Council and the cities and fire districts. In addition, by July 1, 1999, the EMS Division, with the assistance of the EMS Advisory Committee and the FST should prepare a report using existing historical data to summarize the trends and system performance measures. This report should help facilitate development of benchmarks for further measurement.

- d. The EMS Division and the EMS Advisory Committee and the Financial Staff Team should be charged with recommending on an on-going basis, but initially no later than July 1, 2000, any additional performance measures to be reported by all providers of emergency medical services. These additional measurements should be incorporated into future funding contracts.
- e. All providers of EMS services should regularly review performance measures in order to monitor performance and set annual performance targets.
- f. The EMS Advisory Committee will track and report national trends and the delivery of health care and emergency medical services, including but not limited to private and public sector systems.

2. Efficiency Initiatives:

The EMS Division, together with the EMS Advisory Committee and all individual providers of EMS services, shall continue to examine opportunities for reducing costs of dispatch, BLS and ALS services without diminishing levels of service. Four initial action items for achieving future cost savings include:

- a. Achieving economies of scale through reducing duplication of direct service, administrative, and capital costs. The EMS Division, working with the EMS Advisory Committee and FST shall make specific recommendations to the EMS Financial Planning Task Force and the King County Council, no later than December 31, 1999, setting forth possible actions to reduce duplication in the EMS system, including but not limited to consideration of fire operations consolidations.
- b. All public EMS providers should be subject to periodic performance reviews of system components (ALS, BLS and dispatch). Such reviews should be accomplished by qualified persons who are independent of the entity under review. Performance must be measured against established, accepted standards for the program element being reviewed.

Priority should be given to accomplishing a cost and performance review of existing ALS unit operational and financial practices, including consideration of staffing models for Public Health and Fire Service providers. The goal of such a review should be to identify and implement the best business practices of each model.

The EMS advisory committee shall, by July 1, 1999, recommend to the EMS Financial Planning Task Force and the King County Council the first three such reviews to be undertaken. The recommendation shall be accompanied by a

statement of the purpose for the review(s), the scope of work, and who shall conduct the review(s).

(Estimated cost: \$100,000 per biennium in levy funds for reviews).

- c. The EMS Division, working with the EMS Advisory Committee and the FST, by September 30, 1999 shall make recommendations regarding the scope and process of a program of annual one-time financial loans on a competitive basis for projects that will result in quantifiable efficiencies and/or direct cost savings, from which savings from the 'Innovations Fund' would be replenished. *(Estimated cost: \$500,000 in one-time funding from levy or County general funds.)*
- d. The County's dual role as (1) the system manager/coordinator and (2) provider of EMS services in South King County should be clearly acknowledged. Consideration must be given as to whether the enhanced oversight and proposed performance tracking role for the EMS Division indicates a need for organizational/reporting changes within the County. The EMS Division together with the EMS Advisory Committee should make recommendations to the Task Force by July 1, 1999, for how to best clarify and facilitate the County's regional role for the benefit of all service providers.

3. Financial Policies:

These policies are a restatement of the policies in the current EMS Strategic Plan which was adopted in 1997 and covered years 1998 – 2003. It should be noted that as part of the levy proposal submitted in February of 1998, the County proposed to freeze BLS allocations at '97 levels for 1999-2001. The policy below is more generous than current practice. It should be further noted that CPI growth caps will require findings of "substantial need" under Referendum 47 if a property tax levy continues to serve as a key funding source for the regional EMS system. Over time, policies whereby regional funding does not match growth in service costs will result in more of the EMS system costs being shifted from regional to local funding sources. Initially, this should provide additional incentives for cost savings throughout the system. As with all government services, at some point in the future this may create strains on the ability to continue to provide relatively uniform levels of BLS service and threaten the goal of maintaining a "seamless" regional system.)

- a. Growth in ALS Services per-Medic unit funding allocations shall be capped by increases in the Consumer Price Index (CPI). Consistent with the Strategic Plan, the addition of paramedic units should occur only after all other alternatives for reducing demand and increasing the productivity of existing units has been explored by the EMS Division, the FST, and the EMS Advisory Committee, and the results of such exploration have been presented to the King County Council.

- b. Growth in regional services funding shall be capped by increases in the CPI (after considering costs necessary to implement the initiatives in this proposal).
- c. Growth in total regional levy funds provided for BLS services shall be capped by increases in the CPI.

C. Funding Options:

Findings: The EMS Financial Planning Task Force finds 1) a regional approach to the provision of emergency medical services, including the funding of such services, helps to ensure an accountable, efficient and cost effective EMS system; 2) despite the best efforts of the Task Force to identify practical alternatives, limitations of state law leave a property tax as the most realistic means of funding EMS services. The Task Force was unable to reach consensus on a preferred funding option.

EMS Levy 1999 - 2001: The EMS Levy rate for 1999 is .29 cents per \$1,000 of assessed value. The EMS levy is a regular property tax levy and is therefore subject to the limitations contained in Chapter 84.55.010 RCW, as amended by Referendum 47. Under this statute the annual increase in regular property tax revenues, excluding new construction, are limited to the increase in the implicit price deflator (a national inflation index). The County Council may vote to increase the annual levy up to 106% by an affirmative vote of a majority plus one upon finding of a substantial need. The King County EMS Fund financial plan for 2000 and 2001 assumes continued low inflation and stable expenditure growth. The effects of continued low inflation and modest increases in property valuations will be to reduce the effective levy rate to about 28 cents and 27 cents per \$1,000 of AV in 2000 and 2001 respectively. While the effect will be to lower the effective tax rate, actual revenues will increase sufficient to maintain current levels of paramedic and regional services. Basic life support services funding is assumed to be held constant in each year of the three year (1999-2001) levy period.

EMS Costs: Alternative funding options are assumed to support existing EMS services at current levels, plus inflation, beginning in 2002 at an annual cost of about \$38 million. All costs are inclusive of Seattle. Reductions in funding below those supported by the current levy would shift operating costs to providers, many of which have no means of making up the loss in revenue without reducing services. It was the consensus of the Task Force that current levels of service should be maintained. A breakdown of annual operating costs supported by the current EMS levy are as follows:

1. <u>Advanced Life Support (ALS)/Paramedic Services</u> – funding to support 20 paramedic units, including periodic vehicle replacement, at an annual cost of approximately \$1 million per unit:	\$20 million
2. <u>Basic Life Support Services</u> – funding to 35 local fire departments to help offset their cost of providing first response capability by fire engines and aid cars.	\$13 million

3. <u>Regional Services</u> – funding to support training, medical supervision, data management, CPR education, administration, and other support functions	\$ 5 million
Total	\$38 million

Funding Options: The Task Force reviewed more than a dozen possible funding sources that in whole or part could generate revenue on an annual basis equal to the approximate \$38 million estimated to maintain current levels of service in 2002 and beyond. Among the options presented for the Task Force’s consideration were continuation of the dedicated property tax, a dedicated sales tax, utility tax, business and occupation tax, increased County funding, a payroll or head tax, transport fees, an insurance premium tax, increases in various liquor taxes, additional charges on DUI fines, and an increase in the E911 excise tax on telephone lines. Changes to the existing EMS property tax statute, including the duration and requirement for 60% voter approval were also considered.

During the course of several meetings the Task Force reviewed numerous options. Below is a summary of the funding options. A brief explanation of why the Task Force rejected any of options is italicized.

Dedicated EMS Property Tax: Very preliminary projections would indicate a 2002 levy rate not to exceed 25 cents per \$1,000 of AV to fund currently projected levels of service through 2007. This assumes expenditures consistent with the financial policies recommended by the Task Force. (see Performance Tracking and Efficiency Initiative Recommendations.)

Non-financial options:

- make levy permanent
- extend duration from 6 to 10 years
- approval based on simple majority as per other regular property taxes, not 60%.

Dedicated Sales Tax: Seek legislative authority for a local option sales tax of .1% which would generate about \$38 million in 2002 and fund current levels of service. A .1% additional sales tax would increase rates from approximately 8.6% to 8.7%. The impact on households varies with income. (*Most Task Force members were not supportive of this option and did not believe the legislature would grant authority for an additional local option sales tax.*)

King County (CX Fund) Funding: Either increase CX Fund property taxes or cut spending for existing County services to fund all or part of the \$38 million (ALS (paramedic services) \$20 million; basic life support services \$13 million; and regional services \$5 million.) CX Fund support for EMS services would not be dedicated and therefore not binding on future Executives or Councils. Eliminating \$38 million or some portion of funding would have a substantial impact on other essential (mandatory) County services.

E-911 Telephone Excise Tax: 15 cents of E-911 excise tax authority on switched (non-cellular) phone lines is available and would generate about \$2.2 million. A change in state

statute is necessary to use these funds for EMS. *(Task Force members believed police, fire, state government and industry opposition was likely.)*

Liquor Taxes: Seek legislative authority to impose an estimated 10% increase on various liquor taxes could generate up to \$3.2 million. There are at least four types of liquor taxes that would need to be changed in order to levy an additional local option tax increment to be dedicated to EMS. *(Many of these taxes are already dedicated to funding alcohol treatment services. Liquor consumption is generally declining. Additional taxes are likely to further reduce consumption or encourage purchases in adjacent counties.)*

Insurance Premium Taxes: Doubling the current state tax on insurance premiums could provide sufficient revenues to support the King County EMS system. The current state rate is 2% on insurance premiums except ocean marine and foreign trade where the rate is .95 percent. *(In the face of industry opposition, Task Force members did not believe the legislature would be receptive to an increase in insurance premium taxes.)*

Business and Occupation Taxes: Seek legislative authority to impose a countywide B & O tax. The B & O tax is currently levied by 35 cities in Washington at rates up to .2%. Based on very preliminary data from Bellevue, a rate of .004% would provide \$38 million. *(Counties do not have authority to levy B & O taxes, and task force members did not believe the legislature would be receptive.)*

Utility Taxes: Seek legislative authority to impose a countywide utility tax. In 1995, the utility tax was levied by 17 cities within King County and raised over \$115 million; the County currently does not have legal authority to levy this tax. A countywide rate of 1% on all utilities is estimated to yield \$20 million. *(Counties do not have authority to levy utility taxes, and task force members did not believe the legislature would be receptive to granting it for this purpose.)*

Charge on DUI or other traffic related offenses: Seek legislative authority to impose additional fees on DUI or other traffic related offenses. A \$10 charge on convicted DUI would raise \$35,000 countywide while a \$10 fee on all traffic infraction filings would raise \$2 million annually. *(Additional fees are already imposed on DUI offenses and produce minimal revenue. Task force members did not believe sufficient revenue could be generated for this to be a viable revenue source.)*

Payroll or payroll head tax: Seek legislative authority to levy a tax on payrolls or on a per capita (employee) basis. A tax of two cents per employee hour would raise \$40 million while a monthly tax of \$3.08 would raise \$37 million. *(This is a business tax. Counties do not have authority to levy payroll taxes, and task force members did not believe the legislature would be receptive.)*

Subscription Service: Institute a subscription fee for system users. A voluntary per-family fee would be charged which would provide unlimited use of EMS services; non-subscribers would pay full cost. The estimated cost per household if all families subscribed would be \$56 or roughly comparable to the current property tax levy on the average household. Participation

would be voluntary and billing systems for non-subscribers would have to be created. *(Only two small communities were identified as having this kind of service and it generated only marginal income. Task force members did not believe this was a viable funding source.)*

Paramedic Transport Fees: Imposing fees on paramedic transports might generate as much as \$4.6 million. Non-financial issues include ensuring equal access to service, future voter support for levy, uncertainty of changes in third party reimbursement practices, increased operating costs associated with collecting billing information, and different transport practices among the region's ALS providers.

Narrowing Options: The Task Force discussed the list of funding options and over the course of several meetings eliminated those that they believed were not viable. Seeking new or different tax authority from the state legislature was frequently identified as a major obstacle. The Task Force narrowed the options to five:

- Dedicated EMS property tax levy
- King County Current Expense Fund
- E-911 telephone excise tax
- Liquor excise taxes
- Paramedic transport fees

Funding Decision Matrix: A decision matrix was developed as a tool to assist the Task Force members in developing a funding recommendation. While the Task Force was unable to reach a consensus and therefore makes no recommendation on a funding option, each member used the matrix to individually rank order four funding options. The criteria by which they discussed and individually scored each option included:

- Is this option equally or more “secure and permanent” than the current 6 year levy funded system?
- Is there an appropriate opportunity for oversight of system efficiency and accountability if this is the major regional funding option?
- Can this funding option maintain a regional system at current service levels?
- Does this option allow the County to “reduce its reliance on property tax levies to support emergency medical services”?

Rank Order of Funding Options: The Task Force members rank ordered four funding options to be forwarded to the King County Council and to the cities and fire districts which are participants in the County EMS system. All members of the Task Force participated in the exercise. (County Councilmember Dwight Pelz was absent from the meeting but subsequently rank ordered the options, which changed the outcome from the meeting.) *The rank ordering does not constitute a recommendation by the Task Force.*

The four options the Task Force considered were:

1. **Continue with the six year dedicated property tax levy for Advanced and Basic Life Support Services and Regional Services.**
2. **Continue with a permanent dedicated levy for EMS to fund Advanced and Basic Life Support Services and Regional Services.**
3. **Continue with the six year dedicated property tax levy for Advanced and Basic Life Support Services and fund Regional Services from either King County Current Expense Fund or transport fees.**
4. **Fund Advanced Life Support Services through an increase in County Current Expense Fund property taxes, fund Regional Services through imposition of paramedic transport fees, and fund Basic Life Support Services through a reduced dedicated levy for EMS. (Note: Regional Services could be funded through an additional incremental increase in Current Expense Fund property taxes.)**

Option 1 and 3 above were both ranked equally by the members of the Task Force as most preferred. A permanent levy (2 above) was ranked third and option 4 above was ranked last.

Task Force members were also requested to submit written comments regarding their rank ordered preferences. They are attached as Appendix C.

NOTE: The Washington State Legislature amended Chapter 82.54. RCW during the 1999 legislative session. The amendments create three options for the levying a dedicated property tax for EMS:

- 1. the current six year voter approved levy*
- 2. a ten year voter approved levy*
- 3. a permanent voter approved levy, with provision for a referendum to repeal the levy in the future.*

Each option would continue to require a 60% "yes" vote and 40% validation requirement. In addition, statute retains the requirement that counties receive prior authorization of cities with a population greater than 50,000 to place a county-wide EMS levy proposition on the ballot.

**Attachment A
EMS System Measures**

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**Early Access via 911
(Dispatch Life Support)**

	% Calls with live answer at dispatch in ≤10 seconds	Standards required by 911 in county or by dispatch centers
✓	Frequency distribution of time from receipt of call until dispatch	
✓	% Dispatch relay delays of <2 min., >3 min.	Relay delays between dispatch centers lengthen response times and time to care
✓	% Citizen-initiated CPR	Public education
✓	% Dispatch provides CPR instructions in cardiac arrest cases	Dispatch CPR assists in shortening time to care in critical cases

Basic Life Support (BLS)

✓	Annual number of BLS responses	Workload
✓	Annual number of BLS patients <ul style="list-style-type: none"> • Incident mechanism and type summary • Patient age and sex 	Workload Summary of patient characteristics
✓	Number and % of patients transported and mode of transport	Workload
	Number and % of patients with hospital admission	
✓	BLS average response time and % within 4,6,8,10 min. <ul style="list-style-type: none"> • Shown as frequency distribution 	Target standards will differ per jurisdiction Purpose of intervals is to establish systematic indicators of the effects of workload, traffic, etc on response.
✓	BLS average time per call <ul style="list-style-type: none"> • Shown as frequency distribution 	Variation reflects types of call, circumstances
✓	EMT - Defibrillation Cardiac arrest survival rate (Utstein style format)	See sample form

Advanced Life Support (ALS)

✓	Annual number of ALS responses	Workload
✓	Annual number of ALS patients <ul style="list-style-type: none"> • Incident mechanism and type summary • Patient age and sex • Patients requiring IV • Airway management • Emergency medication • Defibrillation/Pacing 	Workload Patient characteristics Patients requiring advanced medical care
✓	Number and % of ALS patients transported and mode of transport	Workload
	Number and % of ALS patients with hospital admissions	
✓	% ALS suspended alarm (code greens)	Efficiency
✓	Average annual ALS response time	Overall response time measure
✓	<u>Primary service area</u> <ul style="list-style-type: none"> • % workload in primary paramedic service areas • % served by 1st due in ALS units • % backup required in primary service areas • Average response times – all ALS units <ul style="list-style-type: none"> • % 8 min or less • % 10 min or less • % 12 min or less • % 14 min or less • Shown as frequency distribution 	Measures ability of medic units to serve first in service area. Backup responses almost always longer, delay in emergency medical care Target standards will differ per jurisdiction Purpose of time intervals is to establish systematic indicators of the effects of workload, traffic, other factors on response time.
✓	ALS average time per call <ul style="list-style-type: none"> • Shown as frequency distribution 	Variation reflects type, circumstances of call, resources
✓	Cardiac arrest survival rate (Utstein style reporting format)	See sample form

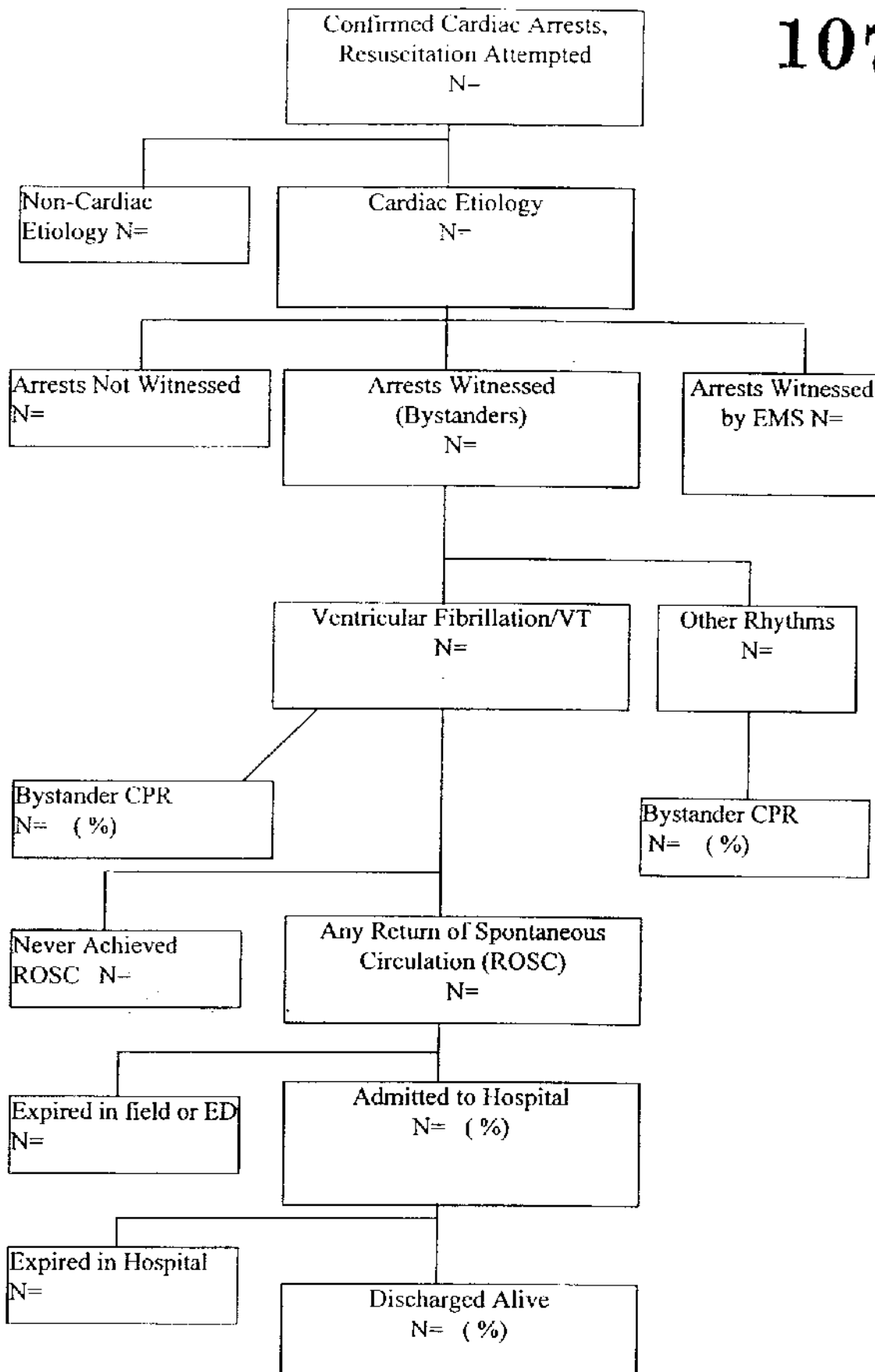
Financial Indicators

	Operating expense per capita	
✓	EMTs per 10,000 population	
✓	PMs per 10,000 population	
✓	# of EMS units deployed by time and day of the week	Anticipated call volume; strategic deployment
✓	Average droptime: interval between unit arriving at treatment facility and returning to service	
✓	Unit Hour Utilization (UHU)	Percent of time a unit is actually handling a patient.

✓ Indicates that the performance measure is currently collected by King County Emergency Medical Services.

Survival from Cardiac Arrest in King County WA, 1992-1997

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Not all information was available for all cases. Percents are calculated on the known data only.

EMS FINANCIAL PLANNING TASK FORCE REPRESENTATIVES

AGENCY AND CONTACT NAME	REPRESENTATIVE, ADDRESS, PHONE AND FAX
KING COUNTY (Executive Branch) Steve Call, Assistant Deputy County Executive, 206-296-4526 (one representative)	Ron Sims, King County Executive King County Courthouse 516 3 rd Avenue, Room 400 Seattle, WA 98104 (206) 296-0194 fax
CITY OF SHORELINE 546-1303 (City Mgr. office) (one representative)	Scott Jepsen (or Bob Ders, City Manager) Mayor, City of Shoreline 17544 Midvale Avenue North (206) 546-1700 Shoreline WA 98133-4921 (206) 546-2200 fax
SUBURBAN CITIES ASSOCIATION Mary Gates, President (253) 661-1289 (two representatives)	Debbie Eddy (425) 828-1267 Councilmember, City of Kirkland (425) 803-1914 fax 123 - 5th Avenue Kirkland, WA 98033 Lynda Ring Erickson, PhD, Exec. Dir. (206) 236-7676 Suburban Cities Association (206) 236-3588 fax 9611 SE 36th Street Mercer Island, WA 98040
CITY OF KENT (one representative)	Jim White (or Brent McFall, Director of Operations) Mayor, City of Kent (253) 859-3357 220 Fourth Avenue South (253) 859-3359(Jan) Kent, WA 98032 (253) 813-2067 fax
CITY OF FEDERAL WAY (one representative)	Jim Hamilton, Administrator King County Fire District #39 31617 First Avenue South (253) 839-6234 Federal Way, WA 98003-5299 (253) 529-7205 fax
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KING COUNTY COUNCIL (two representatives)	Rob McKenna (206) 296-1006 Councilmember, King County Council Dwight Pelz (206) 296-1005 Councilmember, King County Council Room 1200 COURTHOUSE (206) 296-0198 fax
UNINCORPORATED AREAS/ CITIZEN APPOINTEES (two representatives)	Greg Markley (253) 351-4001 pager P.O. Box 1602 (253) 839-6118 fax Kent, WA 98035 Glenn Weiss (206) 694-5154 9822 25 th Ave. SW Seattle, WA 98106 (206) 694-5199 fax

Updated 1/13/99

Attachment C

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Comments from Task Force members regarding their rank ordered preferences.