EMS Subspecialty Certification Review Course

2.4 System Management
2.4.1 System Finance
2.4.1.1 Allocation of Resources
2.4.2 Legislation and Government
2.4.2.1 Working with government and public health agencies
2.4.2.2 Knowledge of state EMS laws
2.4.2.3 Understanding of healthcare law

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Learning Objectives

Upon the completion of this program participants will be able to:

- Discuss the importance of system finance
- Discuss the importance of working with government
  - Understand need to know applicable EMS/health law
- Discuss the importance of public health in EMS
  - Understand need to know applicable EMS/health law

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System Finance

- System funding is historically a local responsibility
  - Tax subsidization
  - Third-party reimbursement
  - Contracts
  - Subscription programs
  - Utility fee assessments

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System Finance – Understanding Costs

Types of Costs:
- Full Cost (total cost)
- Fixed Cost
- Variable Cost
- Direct cost
- Indirect cost
- Sunk cost:
- Step Cost
- Marginal Cost

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System Finance – Understanding Costs

- **Price does *not* equal cost**.
  - EMS may "charge" a payor one price, but get paid another
  - Often Medicare/Medicaid pay below actual cost of service
- Direct cost does *not* equal full cost.
  - Consider more than labor, vehicles, and fuel (eg. education)
- Higher gov support does not guarantee higher performance
  - Design, clinical standards, culture are better determinants

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System Finance – Calculating Costs

- Cost Per Capita
  - Total EMS costs divided by population served
- Unit Hour Utilization
  - Basic measurement of efficiency in EMS
  - Unit hour is a staffed apparatus in/ready for service
  - Utilization is the activity per unit hour (eg. transports)
- Cost per Patient Transport
  - Cost per Unit Hour divided by Unit Hour Utilization

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System Finance – Calculating Costs

UHU = # of transports/unit hours, *where unit hour = fully equipped staffed ambulance on response or waiting for a response for one hour.*

$$\text{Cost/transport} = \frac{\text{Cost/Unit Hour}}{\text{UHU}}$$

(Note : cost of transport DOES NOT equal total cost of the system. Total cost of the system = Direct cost + indirect cost + shared cost)

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EMS & Government

- Largely administered at the state level
  - State Department of Health
  - Oversight of EMS licensing and EMS personnel licensing
- Operations may be heavily influenced at local level
  - Response time standards
  - Subsidy/Billing rates
  - Exclusive provider contracts/regulations

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EMS & Public Health

- Seemingly different disciplines, yet overlap
  - Community health surveillance and care
- EMS is at intersection of:
  - Public Safety
  - Public Health
  - Health Care
- Examples: SARS, Immunizations, Pandemic Flu, COVID

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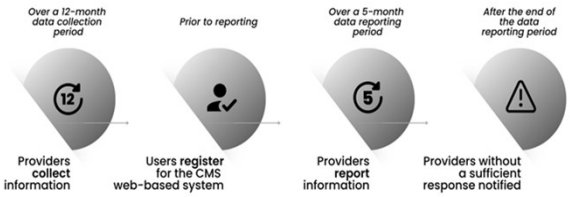
CMS Ambulance Cost Reporting



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Take-Home Points

- This topic is part of the EMS core content
  - Medical Oversight of EMS = 30%
- Take home points
  - System financing/funding is integral to clinical outcomes
  - EMS Medical Directors must be conversant with funding
  - EMS Medical Directors must know state/local EMS laws
  - EMS and public health can build on established success

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