



EXECUTIVE SUMMARY

DATE: June 5, 2014
TO: Bob Vitas, City Manager
FROM: Michael Davila, Division Chief of Operations
SUBJECT: Executive Summary – KWFD/EMS

PROJECT

Lifestar Response of Alabama, d/b/a Care Ambulance was the Emergency Ambulance Service provider by contract from April 1, 2011 until March 31, 2014. This contract has been extended on a month to month basis at \$45,000 per month for an additional twelve (12) months, with a sixty (60) day termination clause. Dr. Cohen is the project manager for the Tridata study titled, "Determining the Future of EMS in Key West". That report recommends the Emergency Medical Services (EMS) be transitioned to the Key West Fire Department (KWFD) as quickly as possible.

The Florida Fire Chief's Association and International Association of Firefighters have also developed reports and demonstrated to the City Commission at the meeting dated June 3, 2014 that the best course of action at this time would be for Key West Fire Department to deliver the Emergency Medical Services to our community.

In order to devote the resources necessary to quickly and efficiently transition from a private provider to the KWFD handling EMS, it is recommended that a new position of EMS Chief be created consistent with the City's personnel policies.

OPTIONS: The City desires to provide 911 ambulance services to the citizens and guests of Key West. The City contracted with TriData Systems to analyze the Key West EMS system and their report recommended a switch to a municipal fire department operated EMS instead of the private industry for profit provider.

The current contract extension requires a subsidy of \$45,000 and is set to expire at the end of March 2015. While it is staff's intent to transition

to KWFD/EMS by April 1, 2015, it is advisable to negotiate an additional extension to allow sufficient time for the transition. The City should immediately begin the process of developing strategic and financial plans for staffing, equipment and supplies acquisition, standard operating procedures, billing and collection policies and related bid packages for billing vendors, while simultaneously negotiating for an extension of the CARE agreement to allow for additional time in the event of unforeseen circumstances. In order to successfully transition from a private provider to the in-house provision of EMS by the KWFD, it is also recommended that the City Commission authorize the creation of the new position of Division Chief of EMS to help lead this endeavor. These initial steps will allow the City to move forward with the preparation necessary to allow the KWFD to take over EMS operations thereby reducing overall cost to the City.

ADVANTAGES: The KWFD/EMS Division will be operated under the control of the fire chief and City leaders. The KWFD/EMS will begin to collect fees for service to offset the cost of operations. The City will no longer be required to pay CARE \$45,000/month for this service. Any delays to the initiation of the KWFD/EMS will result in additional subsidy payments to CARE. The City will begin billing for service once KWFD/EMS initiation, which will help offset the cost of operation. The addition of the EMS division will have a positive impact on the City's Insurance Services Organization (ISO) rating of 2, possibly to the highest "1" level. The ISO rating directly impacts insurance rates paid by residents and businesses.

DISADVANTAGES: The City will need to pay for the Fleet, Equipment and Personnel to allow this new division of the KWFD to be established. The most conservative estimate of the KWFD/EMS net cost of annual operation after collections is \$364,169, according to the Dr. Cohen report. The other two reports show the cost of EMS operation after collections in the same \$200,000 - \$300,000 range. That amount is far less than the current agreement of the \$540,000 annual subsidy required by the contract extension.

FINANCIAL IMPACT: The City will be required to pay the vendor \$45,000 per month for each month they are operating hopefully not to exceed \$540,000 per year. The City of Key West Fire Department operated EMS ambulance service is estimated by the three external agencies at a final cost of about \$200,000 - \$360,000.

RECOMMENDATION:

- 1)** Support the implementation of the Key West Fire Department Emergency Medical Service Division (KWFD-EMS);
- 2)** Direct City Manager to immediately develop strategic and financial plans to accomplish the transition;
- 3)** Authorize the creation of the new position of Division Chief of EMS to help accomplish the transition and provide for the necessary budget transfers;
- 4)** Allow for a 12 month extension of the current agreement in the event that unforeseen circumstances prevent the transition from occurring before April 1, 2015.

