

**Open Work Sessions
February 21, 2017
Fire Service Agreement**

Mr. Wayne Strausburg, Director of Administration, came before Council. Mr. Cannon said it has been a while since Council has had the Tri-Data Organization come before Council. He said he knows Mr. Strausburg has been working with the City and the Fire Departments to figure out where the middle ground is, direction, and update. Mr. Strausburg said the working group met last on February 7th, and they had a lot of follow up work to do. They are having their next meeting on the 23rd of this week with the work group again. He wanted to give Council the broad scope as to where they are, and where they are headed with this. He said when they last spoke with Council, a lot of data mining had to be done. They have completed that data mining, and the group feels they have good data for the calendar year 2016. The data is going to serve as the foundation for where they go with the rest of their discussions. Mr. Strausburg continued, he said they have talked generally, and he thinks there is a general consensus on a formulation that they could follow. That would be to take the 911 dispatch data, and use that dispatch data to form the basis for calculations, and the EMS rates would essentially be based on the Medicare rates and the Medicaid rates, so it is uniform. They would then look at the collections. He said, remember, they previously spoke about insurance collections. They would look at the level of insurance collections for the trailing 12 months and determine what the level of collections are. Was it 65%, 75% or 80%? They would then use that as a factor on the number of calls, the rate for that call, and what was collected through insurance, and arrive at a net as to what was lacking, or what the shortfall is. They would do the same thing with fire. There are not any established governmental fire rates, but there is a company out of Denton, Maryland, that does a lot of this fire data, and they have given them rates that they are going to discuss at the meeting on the 23rd. They are not out of line with what they have already looked at. With regards to accounts receivable collections, the County would want to reserve the right to pursue collections on their own. If they felt that the collections by the City of Salisbury were lagging, for what they thought they ought to be, they would reserve the right to say, your collections are 60%, the County thinks they should be 80%, we have the data, the County is going to try and collect that gap. Mr. Kilmer clarified Salisbury would have the right to collect first, so the full collection obligation is not on the County, to which Mr. Strausburg responded, no, Salisbury would be the collection agency. This is basically reimbursement, that is the process they are going through. Here are the calls, the types of calls,

here is the rate they established for each type of call, this is the collection rate, this is what you have not recovered for calls into the unincorporated areas, and the County will fund that over to them. Mr. Cannon asked if there was a standard collection rate that they have recognized nationally, so that if you have a particular municipality that is bad on collections, he said he did not think that should be thrown in the formula. He then asked is there a standard rate that they accept, to which Mr. Strausburg responded that is a topic for further discussion.

Mr. Strausburg said they have to recognize, particularly for EMS calls, that certain segments of the EMS calls in Salisbury are going to be to people who do not have health insurance. He said the recovery rate is going to be lower than it may otherwise be. He said he is not prepared to tell Council that they are comfortable yet with their collection rate. Mr. Cannon said maybe similar jurisdictions might be. Mr. Strausburg said, yes, that is something for further discussion. He said they will have another meeting on the 23rd to discuss this in further detail. They believe they have good data to work with, as agreed on the call data itself, and a methodology going forward, for how they will collect those calls. They have come to a tentative agreement as to what the rates would be, and a formula as to how they factor that for receivables, and he is hopeful that they will have a pretty good handle on what the funding level is going to need to be for the upcoming year. Mr. Kilmer asked if they are going to be billed, is it an open ended, or fixed amount, to which Mr. Strausburg responded that they have not gotten there yet. Mr. Joe Holloway asked if there was a lot of difference in the data mining from the company that did the research, and the County's further investigations on the calls. Was there much difference in what they came up with and what the County came up with? Mr. Strausburg said, yes. Mr. Joe Holloway clarified the County was lower. Mr. Strausburg said the scrub data rendered a lower number of calls into the unincorporated areas for various reasons. Mr. Joe Holloway asked how they did it, was it through 911, to which Mr. Strausburg clarified, it was work product. Chief Hoppes, 911, David Church, and David Fitzgerald, went through all the call data and sorted it out and got down to what they call the "validated calls through 911 dispatch." He said they were not reimbursing for self-dispatch. They are not reimbursing for mutual aid. Mr. Joe Holloway said he thought someone on this Council, when they first started this, said that is where they should have looked, at this 911 Center for this information. He asked Mr. Strauburg if he thought the company that did the fire service agreement was fair about their work, or was it a waste of money, to which Mr. Strausburg said, no, he did not think it was a waste of money. He said he was not there for all the presentation data. He said it was a continuous work effort. He said they could recall when they first met and

talked about this, they looked at the number of calls in the unincorporated areas. They made the point that it seemed like an inordinate number of calls, and as it turned out, the number of validated calls were quite a bit. Mr. Cannon asked if there were any particular recommendations from Tri-Data or any one of the three models that Tri-Data suggested that they are working off of, to which Mr. Strausburg responded, they are probably going to land on a model, look at the trailing 12 months, take a look at the number of calls, the reimbursement rate by type of call, factored by the collection rate, and that would form the basis for ensuing years of perforation. He said that is where he believes they are. They will be talking about that again on the 23rd. Mr. Joe Holloway asked if the City was okay with these numbers. Mr. Strauburg said, yes, the working group on the 7th, the people who pulled those numbers together represented the City, County, and volunteers, they believe that the call data had been scrubbed and was a good foundation. Mr. Strausburg said he did not anticipate a debate over the number of calls at this point in time, that again has been scrubbed by that collaborative working group. Mr. Cannon said part of what they said the point of contention is the no transport calls, when the City made a call. Mr. Strausburg said there is Medicare and Medicaid. They do not reimburse for unknown transport, so that is something that the group again has to talk about. Mr. Cannon said that was a bone of contention. He then asked is that part of what the report suggested, is that being reviewed, to which Mr. Strausburg responded, yes, they will still be discussing it. Mr. Cannon said he thought they were targeting this for some time before the budget is delivered. Mr. Strausburg said, absolutely, from both the City and County standpoint, it is important that they have a good working model before they go into their budget appropriation. Mr. Cannon asked, if the budget will reflect that, to which Mr. Strausburg responded, yes, that is the County's intention and the City's intention.

Signatures on next page.

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John T. Cannon, President

Larry W. Dodd, Vice President, District 3



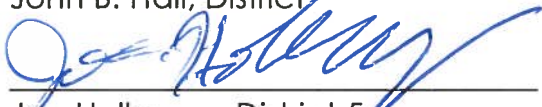
Ernest F. Davis, District 1



Marc Kilmer, District 2

___(absent)___

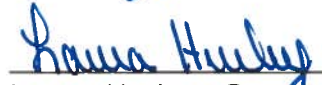
John B. Hall, District



Joe Holloway, District 5



Matt Holloway, At-Large



Laura Hurley, Council Administrator