Analysis and Recommendations
Emergency Medical & Ambulance Service Delivery
Town Of South Hadley, Massachusetts

EXECUTIVE SUMMARY

Municipal Resources, Inc. (MRI) has been retained by the Town of South Hadley, Massachusetts, to review the community's proposed operating plan for Emergency Medical Service (EMS) delivery for the fiscal year 2008, commencing July 1, 2007.

This proposed operating plan was to consist of a restructured program that would no longer include the South Hadley Fire District #1 and would continue to utilize the South Hadley Police Department. The operating plan will replace the current system that, according to information provided by the Town, has been in place since 1950 and modified from time to time since.

This current system has as its foundation a partnership between the Town Police Department, Fire District #1, and Fire District #2, and is coordinated by the Town's Ambulance Director. At present, all record keeping and reporting requirements are handled by the Ambulance Director and the community contracts with a third-party vendor to provide for actual billing services.

From an operational perspective, the function of ambulance response is primarily shared between the South Hadley Police, Fire District #1, and Fire District #2 as a Town response (during the last two years personnel from District #2 have staffed a Town ambulance for fifteen hours a day, Monday through Friday, and on call the remainder of the times). One firefighter/EMT from District #1 responds to the scene with an

ambulance and is met by a police officer/EMT. If a hospital transport is needed, the firefighter/EMT will drive the ambulance to the hospital with the police officer/EMT providing patient care. Any ALS service has been provided by outside organizations, such as Pathways, American Medical Response (AMR), or the Town of Granby Fire Department.

Financially, in Fiscal Year 2006, the ambulance service generated $608,610 in revenues. Expenditures for FY'06 totaled $541,543. The majority of the expenditures were for EMS related services such as salaries, stipends, and ambulance-related expenses, while $84,860 was appropriated for general fund expenses such as two police cruisers and other administrative costs. To date, the arrangement of compensating the Fire Districts for call responses and paying EMT stipends ($2,100 annually) has proven a reasonable financial method of funding staffing costs. Further, the overall fund balance as of December 31, 2006, was $568,598, an indication that current operations are fiscally sound.

However, recent developments have caused serious concern for Town leaders and staff. Following an unsuccessful attempt to form a joint ALS service between the Town and Fire District #1, relations between the two organizations have deteriorated considerably. This discord became abundantly clear in mid-2006 with the purchase by District #1 of their own ambulance. It is understood that Fire District #1, now licensed by the state Office of Emergency Medical Services (OEMS), intends to operate that ambulance independently from the Town ambulance/EMS service, thereby retaining 100% of revenue they generate and further causing operational disruption to the Town service. Fire District #1, in March of 2007, extended an offer to redesign the EMS service delivery in South Hadley, but to date, that proposal has not been given further consideration by Town officials. It is as a result of these recent developments that this study was commenced and is the driving factor behind the intended objective to create a Town-based EMS delivery that will function without the involvement of District #1.

Further, Fire District #2 is beginning a process that will allow it to also provide EMS services within their District.

It should be noted that the Town placed this study on hold in an effort to include a proposal from District #1. However, the Town determined that the proposal submitted lacked sufficient detail for the Town to accept. The Town felt that the proposal lacked substantive planning and documentation and therefore, could not be analyzed. Because the proposal did not meet the needs of the Town, it was determined that a study needed to be conducted to determine the feasibility of another Plan – one that had been recommended by the Town's Ambulance Director. As such, the Town of South Hadley directed MRI to continue to only analyze the Plan put forth by the South Hadley Ambulance Director.

After reviewing Town provided documentation, including budgets and narratives of the Town's proposed ambulance service plan; meeting with key Town leaders, including the Town Administrator, Chief of Police, and Ambulance Director; and having one-on-one conversations with those listed above, as well as Fire District #1 Chief William Judd and Fire District #2 Chief David Keefe, it is recommended that, while operationally possible, the concept of the Town of South Hadley proceeding with EMS/Ambulance delivery solely on its own with limited Fire District #2 participation fails to achieve success in terms of financial and long-term patient care expectations. These findings are demonstrated in greater detail herein. While not within the scope of this analysis and review, the involvement of Fire District #1 as an OEMS licensed ambulance provider within South Hadley will have a direct and immediate impact on the Town's ability to provide a long-term viable EMS service to its residents and businesses, and must not be ignored. Rather, differences must be acknowledged and be put aside to allow a cohesive and comprehensive service delivery plan to be developed where all three entities, the Town and both Fire Districts, realize positive benefits.

PURPOSE, SCOPE, AND METHODOLOGY

MRI was engaged by the Town of South Hadley to evaluate the current administration and business plan for the emergency medical service and transport ambulance service for the Town. Further, MRI was requested to determine how the Town's EMS services compares to similar communities within the Commonwealth of Massachusetts. We have attempted to produce a report containing recommendations that will assist the Town to set a course of action immediately, as well as future considerations for improved EMS services.

To accomplish this, members of the study team held an initial orientation meeting with Town officials and available members of several departments, and in partnership with them, gathered a variety of historical information, statistical information and data on EMS in the Town. Several interviews, an extensive review of the current situation, a compilation of peer emergency medical service delivery systems, and a review of the budget data were performed by MRI's consultants.

We assessed the current situation – assumption of ALS services and EMS transport by Fire District #1. This in turn has exacerbated the disintegrating relationship between Fire District #1 and Fire District #2, and has begun to fracture the relationship between the Town and Fire District #1.

The Study Team evaluated current patient care standards and the potential change in that care as the EMS service delivery plan evolves and changes in the Town of South Hadley. The other area reviewed included the fiscal impact to the Town for providing ALS services, as well as the potential revenues associated with those services.

Though we were not specifically tasked with reviewing other potential areas, such as the command structure relative to EMS in South Hadley, it was discovered through

interviews that there are obvious issues of strained communications and working relationships between the Fire Districts and now between the Town and Fire District #1.

Following the on-site visit, the data collected and observations made were subjected to analysis by the project team, both individually and collectively, and were then compared with emergency medical service practices in order to formulate the recommendations contained in this report.

We would be remiss in not thanking the Town Administrator Patricia Vinchesi, Director of EMS Ken McKenna, Police Chief LaBrie, Chief David Keefe and Chief William Judd for their time, assistance and candor in assisting us with carrying out our work and completing this study.

THE STUDY TEAM

The following MRI consulting personnel participated in the study:

MICHAEL E. BOYNTON is currently the Town Administrator in Walpole, Massachusetts. Mr. Boynton has previously served as the Town Administrator in Sutton, Massachusetts and the Administrative Assistant in Mendon, Massachusetts. Mr. Boynton has served on numerous municipal committees, including two terms as an elected Town Councilor in Franklin, Massachusetts. He is currently active in the ICMA, the Massachusetts Municipal Management Association, and the Massachusetts Municipal Association. Mr. Boynton has a Bachelor of Arts in Politics from Fairfield University and a Master of Arts in Public Administration from Framingham State College.

GEORGE KLAUBER is currently the Fire Chief in Derry, New Hampshire. His career in fire service spans nearly three decades. Chief Klauber graduated from Charter Oaks State College with a BS in Fire Science and Technology, and has taken numerous courses at the National Fire Academy. He is a Certified Fire Marshall with the State of Connecticut Office of State Fire Marshall; is a Certified Fire Officer in accordance with NFPA 1021; a Certified Fire Service Instructor in accordance with NFPA 1501; and a Certified Safety Officer in accordance with NFPA 1521. Prior to joining the Derry Fire Department, Chief Klauber was Fire Chief for the Town of Waterbury, Connecticut. Chief Klauber is a member of the International Association of Fire Chiefs, a member of the National Fire Protection Association, a member of the New Hampshire Fire Chiefs Association, and a member of the Connecticut Fire Chiefs. Chief Klauber has been providing consulting services to MRI since 2001.

MICHAEL FARRELL graduated in June 2004 from Harvard University's Kennedy School of Government with a Master of Public Administration. He obtained his Master of Business Administration from the University of Southern New Hampshire and his

Bachelor of Science in Business Administration from Villanova University. Mr. Farrell has extensive background in the areas of Economic Development, Strategic Management/Performance Measurement/ Benchmarking, Negotiations and Dispute Resolution, Public Management and Leadership, and Municipal Land Use. Mr. Farrell's Public Service Management experience includes having served as the Town Administrator of Hooksett, New Hampshire; the Town Manager of Littleton, New Hampshire; and Director of Support Services for the Town of Goffstown, New Hampshire. He is currently a member of the ICMA, and has served as a Trustee on the New Hampshire Municipal Association's Property Liability Trust and as a Board Member of the New Hampshire Municipal Manager's Association.

BACKGROUND

The Town of South Hadley, Massachusetts, covers 17.7 square miles and has a population of 17,916. Located in western Massachusetts, it is also near the Cities of Holyoke and Northampton. South Hadley is primarily residential with a good mix of industrial and commercial properties. The Town is also the home to Mount Holyoke College. The Town of South Hadley's government is a Selectboard/Town Meeting format with operations managed by a Town Administrator. Fire Services and water systems are not provided by the municipal government, but by two independent Fire Districts with their own elected Prudential Committees who oversee operations.

The Town of South Hadley has been providing ambulance services since 1947. Since that time there has a been a partnership with the Town, its Police Department, and Fire District #1 in delivering this service to the community. The ambulance was moved from the Police Department to the District #1 fire station in 1950 and continues to remain there today. The ambulance has been staffed by both Police and Fire District #1 since the inception of the Town ambulance service

Today, the Town is served by a combination emergency ambulance service that includes a civilian Ambulance Director, police officers, and two fire service organizations. The Town oversees the service through the position of Ambulance Director. The Director is responsible for the administration and supervision of the services. There are approximately fifty-five (55) full-time and twenty-five (25) part-time employees who respond on an on-call basis, consisting of twenty-nine (29) police officers - twenty-six (26) of whom are EMT certified; seventeen (17) District #1 firefighters - fourteen (14) of whom are EMT certified; three (3) District #2 firefighters (one of whom who will become a paramedic this summer) and eleven (11) part-time firefighters who are EMT certified, with three (3) more who will be entering the course this summer.

The equipment used for the service is owned by the Town and is included in the Town's Capital Improvement Plan (CIP). The Town owns three (3) ambulances that are licensed as Basic Life support (BLS). Currently two (2) of the ambulances are housed at Fire District #1 and one (1) is housed at Fire District #2.

The service plan that is currently employed requires the Police Department and Fire Districts to work cooperatively to provide BLS services. When a medical emergency occurs in Fire District #1, a police officer responds to the scene and a firefighter from District #1 responds from the fire station with the ambulance. If a medical call occurs in District #2 between the hours of 7:00A.M. and 10:00 P.M., a police officer responds to the scene and a District #2 firefighter responds from their station with the ambulance. After 10:00 P.M., and on most weekends, District #1 is dispatched and responds to all calls. Currently Fire District #1 responds to seventy percent (70%) of all medical calls.

After arrival at the scene, the police and fire personnel jointly supply medical intervention at the BLS level and they transport to the appropriate medical facility. If it is determined that the patient requires a higher level of medical care, a request is made

for an ALS intercept service to respond. Currently those intercept services are provide by Pathways Ambulance, American Medical Response (AMR) and the Granby Fire Department.

Patients from South Hadley are transported to the closest appropriate hospital. Holyoke Medical Center is the primary medical center and the transport times are typically three (3) to five (5) minutes. Trauma patients are transported to Bay State Medical Center in Springfield and the transport times are typically ten (10) to seventeen (17) minutes.

Requests for emergency medical incidents are primarily received through "911" phone calls at the South Hadley Police Department's Public Safety Answering Point (PSAP) and are dispatched by them. Approximately eighty percent (80%) of the medical calls are received in this manner and the remaining twenty percent (20%) are received by Fire District #1 as direct phone calls to their station.

Presently the Town of South Hadley is responding to approximately seventeen hundred (1700) medical calls annually. This is increasing at a rate of three to five percent (3-5%) annually. This is typical for a community the size of South Hadley. Of the 1700 calls, approximately fourteen hundred (1400) result in transport to a hospital. Of those fourteen hundred (1400) calls, five hundred thirty (530) required an ALS intercept from one of the ALS providers.

The Town budget for ambulance services includes all labor, operating and capital costs to provide these services. Revenue from transport services received from patients and insurance offset the cost of providing EMS. There has been a positive cash flow from EMS allowing for funds to be placed into a capital reserve, as well as to fund the annual replacement of two (2) police cruisers that are used for medical responses.

In 2005, the Town formed a Study Committee to review the potential of the Town providing ALS in partnership with Fire District #1 and Fire District #2. There was support for the recommendations of the Committee to upgrade the service from all parties involved. The issues cited for considering the change included delayed responses for ALS intercept services and there was acknowledgement that the change would improve the response times and medical care for patients. The plan recommended required that District #1 provide paramedic services to the Town. But, in actuality Fire District #1 believed that the Plan lacked substance and was not well defined. It left many questions unanswered for them and they decided to pursue their own EMS license from the Commonwealth, which would be based as an ALS transport service.

The thought of upgrading the level of service for the Town has continued to be accepted by the Town, its Ambulance Director, and both Fire Districts. However, Fire District #1 pursued a completely fire-based service independently and has received an BLS license from the Massachusetts Office of Emergency Medical Services (OEMS). Therefore, the original Plan as developed by all parties now is defunct. These recent developments have strained the professional relationships to an elevation unprecedented in the Town. In March of this year, Fire District #1 presented to the Town a plan that would have the District provide EMS transport and ALS services to the entire Town. The Town received the plan, but did not accept it. In their opinion, the plan lacked the necessary detail to properly evaluate strategic planning, operational needs and financial forecasting, and it continues to leave too many questions unanswered that are required for a comprehensive analysis.

Fire District #1 applied for and received a license to provide basic ambulance service through OEMS. The District is required to operate at a basic level for one year. At that time, OEMS will review the past year's EMS performance and then determine if the District will be given a license to provide services at the paramedic (ALS) level. Criteria evaluated by the Commonwealth included the numbers and types of responses,

response times, medical interventions and outcomes, and quality of care delivered. Based upon the review and findings, OEMS may approve a waiver for ALS services (paramedic/basic level or paramedic/intermediate levels are the two waivers usually granted, allowing an EMS service to operate with only one (1) paramedic per ambulance rather than the Commonwealth's mandated two (2) paramedics).

Fire District #1 has purchased an ambulance. It is apparent that there intent is to respond to medical emergencies within District #1 and possibly the entire Town in the near future. It is not clear if they intend to work cooperatively with the Town, Police Department or Fire District #2 to provide BLS or ALS services

INTERVIEWS

Extensive interviews were conducted with the four parties involved in providing the current services: South Hadley Ambulance Director Ken McKenna, South Hadley Police Chief David Labrie, District #1 Fire Chief William Judd, and District #2 Fire Chief David Keefe. Each of these individuals has strong opinions as to the proper EMS system to adopt and what the future EMS delivery system in South Hadley should look like. The interviews focused upon perceptions relative to condition of the current EMS services, how the Town could provide BLS and ALS without the support and assistance from Fire District #1, and what the impact on services would be if Fire District #1 was no longer involved in providing EMS services. Each party was also asked to comment relative to cooperation between the Fire Districts and whether or not they thought the Town and both Fire Districts could work together to provide adequate and effective EMS services, including ALS intercept services.

During each interview, it was clear that both Fire Districts and the Town wanted to provide the best EMS service possible. But it was also clear to the Study Team that the line of communications between the Town and Fire District #1 were strained and that relations between the Fire Districts was at a low point in their history.

KEN MCKENNA, AMBULANCE DIRECTOR: As the Ambulance Director for the Town of South Hadley, Mr. McKenna was asked to outline his plan for providing EMS services to the Town. Mr. McKenna outlined a Plan that included how the Town would contract with AmbECare (private EMS provider) to provide two (2) paramedics twenty-four (24) hours a day, seven (7) days a week, in order to staff one (1) Town ambulance located at the Police Department, at the ALS (paramedic) level. This would require the Town to revise the EMS Service Zone Plan, submit it to OEMS, and have the Plan approved by OEMS. Until the ALS (paramedic) license could be issued, EMS in South Hadley would have to continue to operate under the current BLS (basic) license with the current ALS arrangement with private providers. It is anticipated that it could take sixty (60) to ninety (90) days for the new license to be granted. After six (6) months, Mr. McKenna anticipates that OEMS would approve a paramedic/basic (P/B) waiver and the staffing configuration would down-size to only one (1) contracted paramedic every twenty-four (24) hours on the Police Station ambulance.

Mr. McKenna's Plan included Fire District #2 continuing to house and staff a Town ambulance at the basic level at their fire station on the northern end of Town. That ambulance would be staffed with one (1) basic EMT/firefighter from 6:00 AM to 10:00 PM, Monday through Friday. The Town would provide one (1) basic EMT from AmbECare to staff the ambulance at District #2 from 10PM to 6AM during the week and all day Saturday and Sunday, when no District #2 firefighters are at the station. The second EMT for the ambulance stationed at District #2 would always be a Police Officer, as it is now twenty-four (24) hours a day, seven (7) days a week (police officers are paid a stipend to provide these services).

The South Hadley Police Department staffs the PSAP as part of the function of the South Hadley Police Department's communications center. These responsibilities include dispatching medical/ambulance services for both Fire Districts. The Plan

requires that the Police Department continue to provide those services to the Fire Districts.

The Plan calls for Town-owned ambulances to be utilized on all emergency calls and to cover for non-emergency transfers and breakdowns. There currently are three (3) Town-owned ambulances and the "third" is considered a reserve or spare ambulance.

Finally, the Ambulance Director's Plan would continue the current practice of paramedic intercept and mutual aide agreements with neighboring municipal ambulance services and private contractors. Service Medical Control and the Medical Control facility would continue to be with Holyoke Hospital as it is today.

This staffing configuration initially requires two (2) paramedics from a private service. This is due to the fact that OEMS requires that two (2) paramedics work together for the first six (6) months under the licensure until the Town could be granted a P/B waiver. This will require the Town to contract with a private EMS ALS service in order to provide ALS transport services out of the Police Department based ambulance in the southern end of Town. The Ambulance Director estimated that this would require adding $173,000 to the EMT line item in the ambulance budget for Fiscal Year 2008. By staffing at this level, the ambulance would meet the OEMS requirement for operating for the first six (6) months at the paramedic level. If a P/B waiver is granted by OEMS after the first six (6) months of operation, the Town can alter staffing of the first ambulance to the P/B level and utilize the second paramedic on the ambulance stationed in Fire District #2 if it desires.

WILLIAM JUDD, CHIEF – FIRE DISTRICT #1: Chief Judd explained that he felt Fire District #1 provided the Town in good faith with a Plan to provide ALS and EMS transport services to the Town. He stated that Fire District #1 had started an ALS program in 1998 and that the goal of the District was to eventually provide EMS services at the paramedic level for the entire Town. Fire District #1 had continued to

work toward this goal during discussions in 2005 regarding a change in the service delivery. At a meeting held in March 2007, Chief Judd felt that the Town made a verbal agreement with Fire District #1 to provide ALS responses and EMS transports in order to increase their experience base and call volume. This would allow the Fire District to complete the process of licensure for ALS. They would continue providing BLS with the Police Department and would work cooperatively with Fire District #2.

In regards to the future, Chief Judd stated that he felt that there was no longer any effective communication with the Town or Fire District #2. He suggested that Fire District #1 intended on completing the OEMS licensure process at the ALS level and that they then would be providing this level of service in Fire District #1 and perhaps the remainder of Town as well. The Chief felt that they had the staff and training to provide the service at a quality level. There was no definitive answer as to whether Fire District #1 intended on providing this service no matter what the Town decided to do.

He believed that the basic issue from Fire District #1's perspective is that their employees are being controlled by the Town and the Ambulance Director and this system is flawed. The Ambulance Director wants control over hiring and disciplining Fire District #1 employees in regards to EMS issues. Chief Judd cited an instance where he wanted to hire a new employee, while the Ambulance Director determined that the employee should not be hired due to a problem discovered during a background check. Chief Judd's concerns were related to command and control not only of employees and personnel issues, but that there were command and control issues on scene at emergency medical incidents at times as well. [According to the Town, at a May 10, 2006 meeting, Abdullah Rehayem, Acting Director of OEMS informed the Town, with District #1 present, that the "Ambulance Director would have control over hiring and disciplining Fire District 1 employees." Further, Chief Judd could not cite any specific issue where command and control was violated.]

It was apparent to the interviewer that Fire District #1 felt that they had in good faith made an attempt in providing a viable plan to provide comprehensive EMS services to the entire Town. Further, the interviewer felt that Fire District #1 had every intention on moving forward and beginning an ALS transport service in South Hadley regardless of the actions of the Town.

DAVID KEEFE, CHIEF – FIRE DISTRICT #2: Chief Keefe felt that the problem had progressed to a point that District #1 and District #2 could no longer work effectively with one another to deliver services. He expressed his concern that there were no longer open communications between the two Fire Districts. He stated that Fire District #1 had become an independent Fire Department. Based on meetings held in May 2006 with OEMS, the Town Ambulance Director, and both Fire Districts, Chief Keefe felt that there was doubt over who actually would be in charge if and when the Town was to become a paramedic level service and utilize police officers and firefighters from both Fire Districts. As a former EMS Director in another community, he stressed the importance of a clear chain of command in a paramedic-level service, not only at an emergency scene but in regards to the administration of the service.

Chief Keefe felt that the proposal that had initially been offered by Fire District #1 was not comprehensive enough and left many questions unanswered including those concerning command and control at incidents, administrative issues, costs, revenues, and personnel issues. Subsequent conversations and meetings left Chief Keefe with the belief that if Fire District #1 was to implement an ALS transport service, Fire District #2 would be "left out in the cold" and not included in any response plan. His recent phone calls to Fire District #1 have gone unanswered and there have been no discussions between the two Fire Districts.

Chief Keefe believes that the Plan that the Ambulance Director is proposing would include Fire District #2 and there have been good communications between the Town

and District #2. Further, Chief Keefe explained that it was his intent to request additional career personnel to be hired in Fire District #2 so that the District "could provide BLS services 24/7" as soon as possible. Chief Keefe further proposes that Fire District #2 provide ALS coverage within their District and possibly to the entire Town at some later time, if funds were available and the Town and OEMS accepted and approved that Plan. "Because the Town has not accepted a definitive Plan and has not had a clear leadership message," Chief Keefe feels strongly that he and Fire District #2 must develop a Plan with consistent delivery systems as proposed by Fire District #1.

Chief Keefe sees the situation rapidly deteriorating and considers that Fire District #2 and the Town together can provide EMS transport and ALS services Town-wide. Until a final Plan can be completed, he understands the need for mutual aid in order to provide the necessary services. He feels that the relationship between his District and Fire District #1 has degenerated to the point that cooperation and working together is becoming an impossibility. Currently Fire District #1 is dispatching for District #2. Because of the current conditions, there has been some consideration in Fire District #2 to request that the South Hadley Police Department begin dispatching all Fire District #2's calls.

It was apparent to the interviewer that Chief Keefe was frustrated and extremely concerned about the future of EMS services in South Hadley. Because of this, he has determined that he must also develop an EMS Plan that will address the needs of Fire District #2, as well as those of the Town. During the interview, the Chief also explained the relationship that Fire District #2 had with the current Ambulance Director; how Mr. McKenna had long-time knowledge of the situation as Mr. McKenna was the first certified EMT in South Hadley and that he was now a member of the Fire District #2 Prudential Board.

FISCAL REVIEW

Based on the information provided to the study team and their analysis of such, MRI looked at four (4) EMS service delivery models. Two (2) of these models represent a shift from a positive revenue stream for the Town, to a deficit spending issue.

The first model is to return to the system that was in place prior to this year and to implement the ALS Plan agreed to by all parties last year. However, due to the mistrust and dissention that now exists between the Fire Districts and the Town, the study team did not consider evaluating that model. That model is no longer a viable solution to this problem.

A review of the Plan suggested by the Town whereby they would contract for ALS transport services was looked at more intensely (Appendix 1) and was determined that it would be a significant reduction in revenue. Appendix 1 outlines the costs and revenues associated with the Town's proposed Plan.

Model 1:

The Town would contract with a private ambulance service to provide ALS service and continue to use police officers and Fire District #2 as the primary BLS service providers. This Model does not include Fire District #1 providing any level of service to the Town, except perhaps mutual aid. In this model the Town would remain in control through contract services and the oversight of the service through the Ambulance Director.

The threat for the Town under this Model is obvious. Fire District #1 is continuing to plan for and provide full EMS services. Though it is unclear as to whether this will happen town wide or only in District #1, the fact is that the District is able to and willing to provide these services. In providing these services the impact on revenue for the Town will be impacted greatly be. The only strength of this Model is the Town having greater control over the entire EMS system. The weaknesses are revenue loss and a

continued strained relationship with District #1. Obviously, the threat for any government agency that contracts out services is for that private contractor to discontinue those services in the future.

In reviewing Model 1, the Town will contract for services to provide paramedic staff for the Town ambulance. Many of the same costs associated with the current Model being provided for by the Town will continue to be incurred. These costs include Ambulance Director's wages, operating costs of the ambulances, supplies, intercept charges, stipends for police officers, and costs associated with Fire District #2 expenses to name the largest line items. The current revenues received from the Town are likely to be negatively affected due to the fact that Fire District # 1 will begin to operate at an ALS level and will transport patients, probably at a higher level than they currently are providing.

The Model as proposed by the Ambulance Director considered costs and revenues without impacts from Fire District #1. If District #1 does not start to respond and transport patients, call volume and revenues will drop, even with higher ALS charges. We validate the Ambulance Director's position that a deficit (his number is approximately $187,000) would occur in the first year of this Plan's operation. The financial review based on an analysis of billing information conducted by MRI determined a slightly more conservative amount and we predict a $245,000 deficit.

If Fire District #1 begins to respond and transport patients, MRI estimates the number to be between three hundred (300) and five hundred (500) calls annually. Based on current billing and collection rates, we believe that the deficit actually could grow to an untenable level of between $402,000 and $500,000. The use of ambulance transport revenues that currently support the purchase of two (2) police cruisers annually and certain administrative expenses will increase the deficit figure even higher.

Currently the revenues received by the Town in excess of the costs have been used for a capital reserve fund (future ambulance purchases and capital equipment), capital equipment purchases, and to offset the annual purchase of two (2) police cruisers that are used in the current EMS response model.

We note that capital planning for both Ambulance and Police budgets have been impacted by the revenues received from medical transport fees. Any change in the current EMS system needs to be adopted by the Town's officials, both Prudential Committees, and the citizens of South Hadley. Clearly EMS expenditures must be fiscally managed and linked to the Town's financial solvency. Lack of capital planning inevitably leads to crisis spending at the least opportune time, and over the long-term costs more than a well-planned capital program where everyone knows in advance what spending is going to occur at what point in the future. Capital planning has the added benefit of maintaining and improving the infrastructure when it should be. In terms of operational costs, EMS revenues augment the Town's and both Fire Districts salaries, supplies and maintenance. Changes in the current Plan will affect these budgets positively and negatively.

Though the intent of the Town in considering this model would be to create efficiencies and have control over the quality of service, we believe that the opposite probably would occur. The primary reason that these inefficiencies will occur is due to the fact that District #1 is proceeding with the development of an ALS ambulance transport service. Thus both the Town and the District will be in direct competition and providing similar services to the community. This is an inefficient method for both the Town and the District to provide these services. Potentially the District may be willing to provide the service for minimal revenues in order to establish their service, call volume and reputation. In order for the Town to try and provide these services they will do so with less revenue and less control.

Model 2:

The Town would begin to divest itself from direct ambulance service and would contract with both Fire Districts to provide a fire-based EMS service. This type of model is a combination of contract services and fire-based EMS. The use of the Police Department and the stipends paid to the officers could be reduced as the police services would be minimalized and eventually cease over the next three (3) years.

The strength of this model is seen in the development of good working relationships with the Town, District #1 and District #2. Further, many communities throughout Massachusetts have been able to provide a high level of service for EMS through fire-based EMS. This model also allows for the opportunity to increase the level of police service to the community as the police officers will ultimately be relieved from their current duties to provide EMS allowing them to provide additional police protection for the community. The town through the contract service will be able to define the levels of service and objectives that the Fire Districts would be expected to meet.

Though the towns will ultimately lose revenue by not directly providing EMS services they will also not incur any of the expenses for providing those services. Further the position of Ambulance Director would be downgraded to that of a Coordinator and the Districts would take the responsibility through their licensure for compliance and upholding of EMS regulations. This can be seen as both a strength and weakness of the Model. Though the Town loses some control for EMS services they also relinquish themselves of many of the liabilities. The same threat that is true for Model 1 holds true for this Model. The threat for any government agency that contracts out services is for that private contractor to discontinue providing those services in the future.

Fire District #1 already has an EMS license from the Commonwealth and has purchased their own ambulance (there now are 4 ambulances within the borders of South Hadley – 3 owned by the Town and one by Fire District #1). It is their intent to

move to an ALS upgrade license as soon as OEMS will allow for it. Fire District #2 has personnel who can staff one (1) of the Town's ambulances at the BLS level, as they do now. It is their expressed intent to petition OEMS as soon as possible for their own license to follow Fire District #1's lead in providing BLS and then limited ALS service.

In this model, the Town would have limited control over the direct EMS services but through contractual means, could define the levels of service and objectives that the Fire Districts would be expected to meet. Oversight of EMS by the Ambulance Director would be downgraded to that of a "Coordinator" or "Liaison" and would include reviewing the quality control of calls, response times, confirmation of training requirements, and continued contact with the Fire Districts.

Costs for the Town associated with this model are less than current costs. Depending on the parameters negotiated with the Fire Districts to provide the service, wages for the Ambulance "Coordinator" or "Liaison" and even perhaps some annual cruiser replacement, could be recovered from the Fire Districts as they will provide the EMS service, bill patients and collect all the revenues themselves without the Town's involvement.

The loss of EMS revenue and the associated costs would yield the Town a net loss of approximately $120,000 annually. Initially these costs could be offset by selling the Town ambulances and using the EMS fund balance that is remaining. Additional recovery costs could be gained by annual revenue enhancements to the Town by the Fire Districts.

Model 3:

The Town would begin to divest itself from direct ambulance service and would turn those responsibilities over to Fire District #1. In the simple analysis, the Town would have minimal or no costs associated with this Model. All stipends and payments to police and Fire District personnel would end.

In the first two (2) to three (3) years, the Town might consider continuing the services of their own Ambulance Director as a "Coordinator" or "Liaison" to monitor EMS services, with the salary cost estimated at $22,000 to $24,000 annually. Of course, as in Model 2, these costs could be recovered from Fire District #1 if negotiated.

The Town would not reap any revenues from this Model. The loss of EMS revenue (and the costs associated in providing EMS) would yield the Town a net loss of approximately $120,000 annually. Initially these costs could be offset by selling the Town ambulances and using the EMS fund balance that is remaining (in excess of $500,000). The EMS "Coordinator" or "Liaison" position, and perhaps police cruiser replacement, could be negotiated through Fire District #1.

The greatest threat in this Model is the relationship that has developed with District #1. If District #1 in fact takes control of the entire EMS services for the Town the greatest impact will be on the working relationship not only with the Town and District #1 but also between the two Fire Districts. This model will only succeed with better communications and building of partnerships with the Town and both fire Districts. As for providing those services District #1 is capable of providing those services. The question that must ultimately be answered is at what cost to the Town. The weakness of the plan is both the lost revenue as well as the loss of control over levels of service by the Town and compliance to regulations by District #1. Also, the same threats for Model 1 and Model 2 holds true for this Model.

The strength of this Model as stated earlier is that many communities throughout Massachusetts have been able to provide a high level of service for EMS through fire-based EMS. This model also allows for the opportunity to increase the level of police service to the community as the police officers will ultimately be relieved from their current duties to provide EMS and enhance their policing services throughout the community. The town through the contract service will be able to define the levels of service and objectives that the Fire Districts would be expected to meet

Though the towns will ultimately lose revenue by not directly providing EMS services they will also not incur any of the expenses for providing those services. Further the position of Ambulance Director would be downgraded to that of a Coordinator and the Districts would take the responsibility through their licensure for compliance and regulations. This can be seen as both a strength and weakness of the Model. Though the Town loses some control for EMS services them also relinquish themselves of many of the liabilities.

BENCHMARKING AND COMPARATIVE ANALYSIS

Data collected on the benchmarking survey of peer communities was developed to accentuate EMS operations. Topics compared were population; square area; the total community budget; fire department budget; annual revenue from EMS; annual EMS calls; average revenue per call; waivers from the state for EMS operations; whether EMS collections were in-house or through an outside agency; stipends for EMT basics, intermediates and paramedics; the number and ages of ambulances operated by the Departments; the number of EMT basics, intermediates and paramedics; and if the EMS service Director was paid extra for that responsibility.

Communities	South Hadley (PD, D#1, D#2)	Easthampton	Longmeadow	Ludlow	Wilbraham
POPULATION	18,000	16,000	16,000	21,000	15,000
SQUARE MILES	18	13.5	9	28	22.2
COMMUNITY BUDGET	3 separate budgets	$28M	$47M	$57.8M	$33M
EMS REVENUE	$607,000	$400,000	$507,000	$511,000	$511,000
EMS CALLS	1700	1800	1227	1883	1430
WAIVERS	none	P/B	P/B	P/B	P/B
COST OF COLLECTIONS	4% to agency	4% to agency	5% to agency	FD does it	FD does it
EMT-B STIPEND	$2100	7%	10%	6%	10%
EMT-I STIPEND	$2100	4%	11%	12%	15%
EMT-P STIPEND	n/a	18%	15%	18%	17%
AMBULANCES	3	3	2	2	2
AVG. AGE OF AMBULANCES	94,00.06 D#1 07	06,00,96	07,01	05,02	06,02
# EMT-B'S	43	14	9	10	7
# EMT-I'S	2	4	1	3	8
# EMT-P'S	4	9	12	4	8
EMS DIRECTOR	Yes	Yes	Yes	Yes	Yes

CONCLUSION

In order for all citizens, businesses and visitors to South Hadley to continue to receive the best quality EMS services available, the Town must consider a Plan that will be realistic, viable and affordable. The current EMS system that exists between the Town and Fire Districts works, but it is a complicated mix of firefighters from the Fire Districts, police officers, private, and other municipal ALS providers all administered by a civilian authority. This leaves the residents in Town with differing levels of service depending on the time of day and location.

The Town and the Fire Districts all agree that they can do a better job at providing comprehensive EMS services, but it will take continuing cooperation between the Town, the Ambulance Director and the two Fire Districts. The Study Team has concerns that the recent decline in professional relationships has created an atmosphere where the opportunity for developing and sustaining a cooperative Plan is in jeopardy.

It is apparent that there is no confidence or trust between the Fire Districts or between the Town and Fire District #1. It is also evident that even when both parties are in the same room and discussions are being held that all parties understand the issues from their own point of view. Examples of these are: at a meeting of the Board of Selectman to discuss the issue, Chief Judd was under the impression that there was a verbal agreement to allow District #1 to begin developing ALS responses; there actually was no such agreement or understanding from the Town's point of view. At a subsequent meeting held with the MOEMS both sides understood the hiring and discipline issues of medical personnel diametrically different. The Town understood that the Ambulance Director had authorities based on the fact that the firefighters were "employees" of the Town while providing services with an ambulance and the Town had a degree of responsibility while District #1 felt that this was not the case.

All the reasons for this situation are unknown, but the current relationships are certainly impacted by the former relationships. Fire District #1 is a career Fire Department supported by an on-call force. Fire District #2 is primarily an on-call Fire Department that is supported by several career members during the workweek days and evenings. "Superior" attitudes and relationships fostered by this organizational make-up are not uncommon in communities that rely on more than one fire department to provide emergency services.

The civilian Ambulance Director was a retired firefighter from Fire District #1 and currently is a member of the Fire District #2 Prudential Committee. Some members of Fire District #1 perceive this as a conflict of interest. Nothing in our study suggested that the Ambulance Director acts in any manner other than to strive to produce the best EMS delivery system for the Town of South Hadley that can reasonably be provided. The study team did determine that the Ambulance Director has done a commendable job integrating the resources available in the Town and producing a system that has served the Town well for a number of years.

In order for any EMS Model in South Hadley to be successful now and in the future, there must be honest communication and coordination among all parties concerned, with no room for rumor, innuendo or character assassination. All that matters is the delivery of quality ALS and EMS transport services to the citizens of South Hadley at an affordable price.

The one area observed that was a positive sign was that both Fire Districts and the Town had good relations with the Police Department and all parties interviewed expressed the high regard that they had for the South Hadley Police Department, its Chief and its officers.

RECOMMENDATIONS

The following pages contain recommendations to guide the Town in determining the EMS Model that will best serve the Town for the next six (6) months, twelve (12) months, and over the next three (3) to five (5) years.

Because of the current atmosphere, it is not possible to make an immediate recommendation as to which model would be most successful. However, some issues can be addressed immediately.

It is unfortunate that the original Plan agreed to last year by all parties was not given a chance to be implemented, but that Plan now cannot be resurrected. Nonetheless, the Town cannot make the decision in a vacuum. Fire District #1 continues to move forward with plans to provide ALS and EMS transport services in District #1 and possibly the entire Town. This situation leaves the Town with limited choices in the short-term.

Three (3) plans were evaluated as possible models that that the Town could consider employing. Each of these plans were evaluated in regards to level of service and patient care that should be expected by the community; a financial analysis of the model chosen; and benchmarking and comparative analysis of similar communities' EMS service delivery plans.

The best option for the Town is to develop a fire-based EMS service model. This type of model will best provide the required services for the Town. The type of fire based model that the Town chooses will depend on the relationship that develops with both Fire Districts and the level of cooperation the Fire Districts practice with each other. Adoption of a fire-based EMS model also will increase law enforcement presence in the community as police officers no longer will be involved in EMS transport and will be more readily available in Town.

The immediate recommendation for the Town is to develop a Request for Proposal (RFP) to provide both BLS and ALS services to the Town. This process will require the Town to determine the required level of services that it wants to provide and to be sure that any organization providing bids meets those requirements. As part of the proposal the Town should require what portion of ambulance transport revenues will be reimbursed to the Town. Those reimbursements should be used to offset the expenses for the Town in regards to maintaining the Ambulance Director's position and partially offset the lost revenue used to purchase capital goods such as police vehicles. The Town should support bids from both District #1 and District #2 as well as any bid that may partner those two organizations. The contract that is ultimately agreed upon should be reviewed annually for meeting the Town's benchmarks and the Town's required levels of service. Further, the Town should request future RFP's for EMS services be advertised at least every 3 years.

In the long term the Town should divest itself from being the direct primary provider of BLS and ALS services and provide these services through contract agreements with outside sources. Either or both of the Fire Districts may be that source. In providing services in this matter the Town will ultimately receive fewer revenues but will be able to provide a more consistent level of EMS services for the entire Town. Those reductions in revenues can be gradually reduced through the RFP and contract negotiation process.

IMMEDIATE RECOMMENDATIONS

1.1 Develop Request for Proposal for town wide services for BLS and ALS transport services

- 1.1a Develop appropriate levels of service that Town is willing to accept that will meet their needs.
- 1.1b Develop benchmarks that Town determines will meet their expectations.
- 1.1c Determine appropriate compensation that Town expects from organizations that are willing to provide those services in the Town.

1.2 While a final EMS plan is being developed, the Town should consider continuing the current BLS model.

- 1.2a Continue to maintain one ambulance at each Fire District for BLS responses.
- 1.2b Use police officers and firefighters responding with Town ambulances.

1.3 Continue ALS services with private/public entities as is done now.

1.4 Continue to communicate with and attempt to negotiate an agreement that will include both Fire Districts in future EMS services to the Town, specifically with Fire District #1 to supply Town-wide ALS and EMS transport services.

1.5 The Town must revise and update the current EMS service Zone Response Plan Application.

1.6 Revise the Ambulance Director's job description.

- 1.6a Develop a long-term plan to provide quality EMS service.
- 1.6b Develop a Continuous Quality Improvement Plan for EMS providers.
- 1.6c Coordinate all activities between the Town and EMS providers, but no longer supervise these activities as it will be up to the Fire Districts to supervise and report progress and activity quarterly.
- 1.6d The Ambulance Director shall not hold any hold any elected position with either Fire District.

FUTURE RECOMMENDATIONS

2.1 Town to relinquish all EMS service delivery.

2.2 Negotiate fire-based EMS, including BLS and ALS services.

- 2.2a Initially Fire District #1 will provide BLS and then ALS transport when OEMS approves their upgrade to this level.
- 2.2b When Fire District #2 gains OEMS licensing, they can be integrated into the Plan in a seamless manner.

2.3 Town to develop goals and objectives related to the levels of service it expects from the Agency, Company or Fire District(s) that may provide the BLS and ALS services to the Town.

2.4 Town to coordinate the cooperative effort to have both Fire Districts partner in providing EMS services.

2.5 The responsibilities associated with the position of Ambulance Director should be transferred to the District(s) supplying the service.

2.5a The District(s) shall be responsible for maintaining quality control.

2.5b The District(s) shall report quarterly to Town, including run data and adherence to Town-established goals and objectives.

2.6 The Town should retain an Ambulance "Coordinator" or "Liaison" for the purposes of monitoring (but not supervising) overall EMS services.

2.7 The Town should negotiate funds annually from the Fire Districts providing EMS services.

2.7a To be used for the salary of the Ambulance "Coordinator (or Liaison)".

2.7b To be used for capital replacement of one (1) or two (2) police cruisers as police still will be first responders to medical calls, assisting the Fire Districts with EMS transport.

2.8 The Town should sell all three (3) ambulances (perhaps to the Fire Districts) and divest itself of the EMS trust fund as a method to offset loss of revenue and profit from the EMS service.

EXPENSE BUDGET	FY'2008 Request	FY'2008 - Town Plan	FY'2008 - Town Plan - Assumes Loss Of 350 Calls To District #1	FY'2008 - Town Plan - Assumes Loss Of 500 Calls To District #1
Personnel Services				
Director	$21,647.00	$21,647.00	$21,647.00	$21,647.00
EMT Stipends/Training/OT/Replacements	$171,000.00	$183,300.00	$183,300.00	$183,300.00
TOTAL PERSONNEL SERVICES	**$192,647.00**	**$204,947.00**	**$204,947.00**	**$204,947.00**
Expenses				
Printing & Binding	$200.00	$200.00	$200.00	$200.00
Postage	$50.00	$50.00	$50.00	$50.00
Other Purchased Services	$21,000.00	$21,000.00	$21,000.00	$21,000.00
Medicare B Intercepts	$125,000.00	$50,000.00	$50,000.00	$50,000.00
Repair & Maint. - Facilities	$0.00	$0.00	$0.00	$0.00
Repair & Maint. - Vehicles	$10,000.00	$10,000.00	$10,000.00	$10,000.00
Petty Cash	$100.00	$100.00	$100.00	$100.00
Medical Supplies	$12,000.00	$30,000.00	$30,000.00	$30,000.00
Uniforms	$400.00	$400.00	$400.00	$400.00
Office Supplies	$300.00	$300.00	$300.00	$300.00
Office Equipment	$200.00	$200.00	$200.00	$200.00
Gasoline (Fuel) & Oil	$8,000.00	$8,000.00	$8,000.00	$8,000.00
Ambi-Care Services/Personnel	$0.00	$445,000.00	$445,000.00	$445,000.00
TOTAL EXPENSES	**$177,250.00**	**$565,250.00**	**$565,250.00**	**$565,250.00**

Capital Outlay				
Ambulance Purchase	$0.00	$0.00	$0.00	$0.00
Other Equipment	$0.00	$50,000.00	$50,000.00	$50,000.00
TOTAL CAPITAL	**$0.00**	**$50,000.00**	**$50,000.00**	**$50,000.00**
General Fund Indirects				
Police Line Of Duty	$0.00	$0.00	$0.00	$0.00
Police Department - Cruisers, Etc.	$56,000.00	$56,000.00	$56,000.00	$56,000.00
Administrative/Insurance Costs	$21,360.00	$21,360.00	$21,360.00	$21,360.00
TOTAL GF INDIRECTS	**$77,360.00**	**$77,360.00**	**$77,360.00**	**$77,360.00**
TOTAL EXPENSE BUDGET	**$447,257.00**	**$897,557.00**	**$897,557.00**	**$897,557.00**
REVENUES				
Ambulance Receipts (Projected)	$620,000.00	$652,500.00	$495,000.00	$405,000.00
TOTAL REVENUE	**$620,000.00**	**$652,500.00**	**$495,000.00**	**$405,000.00**
BALANCING ACT				
Net Surplus/Deficit	***$172,743.00***	***$245,057.00***	***-$402,557.00***	***$492,557.00***