

The Board of Directors of the Twin City Ambulance Service (TCAS) will be holding a public meeting to hear and discuss public comment on the impending cessation of Emergency Medical Services (EMS) to our region. The meeting will be held September 27th from 6:00 to 8:00 p.m. at the Pontotoc Community Center in Fulton, KY. All citizens, government officials, businesses, and other impacted parties are urged to attend.

TCAS provides immediate and mutual aid response, including both basic and advanced life support service, to an over 400 square mile service area. It responds to about 2,000 calls per year consisting of primary 911 calls, inter-facility transfers, and requests for fire rehabilitation from fire departments and rescue squads. TCAS also provides stand-by service for special events, such as high school football games. Historically, most responses occurred at the advanced life support level of service.

Ambulance service is provided from two stations, one located in Fulton, KY and another in Hickman, KY. Areas served in Kentucky include all of Fulton County, and parts of Hickman County and Graves County, while areas served in Tennessee include parts of Obion County and Weakley County. Major infrastructure within the coverage area includes schools, hospitals, courthouses, senior citizen centers, detention centers, industrial parks, railroad yards, major gas pipeline structures, and various port facilities situated along a 12-mile stretch of the Mississippi River.

Formed in 1999 to provide emergency ambulance service to residents and others in the Twin Cities area, TCAS is structured as a not-for-profit Kentucky corporation. It has two owners with equal interests - Fulton, KY and South Fulton, TN. In 2006, TCAS purchased a license to operate an ambulance in the City of Hickman and the surrounding area.

Ambulance service is difficult to provide and requires the dedicated commitment of 17 full-time personnel and 24 on-call personnel who are employed by the City of Fulton as firefighters. These devoted professionals undergo continuous state-of-the-art training, which allows them to consistently provide the highest levels of patient care and comfort. The quality of EMS provided by this group is second to none.

The Kentucky Board of EMS and Tennessee Department of Health - Division of EMS are charged with regulating service in the jurisdictions where TCAS operates. The agencies perform audits to ensure compliance with regulations and protect the general public. Staying in compliance with existing regulatory requirements, as well as incorporating new requirements, takes considerable administrative effort.

TCAS revenues are derived from EMS billing (60%) and membership fees (39%). Voluntary membership fees are collected from residents of the cities of Fulton, KY, South Fulton, TN, and Hickman, KY. Some Fulton County residents, and a few businesses within the coverage area, also pay membership fees. Over time participation in the subscription membership program has steadily declined, and more recently, this trend has accelerated. Small grants and minor donations are occasionally received (1%), but have never represented a significant source of revenue.

In the past, because the revenues collected did not cover the operational costs, the City of Fulton very generously paid for many ordinary and necessary expenses on behalf of TCAS. Some examples of these expenses include: administrative salaries, excess overtime salaries, insurance, utilities, fleet mechanic labor, cleaning and maintenance. Combined with the seven mutual aid agreements that are currently in place, this arrangement permitted a wide array of stakeholders located both inside and outside the region to get a free ride by receiving the benefits of the service without having to

share in its burden. In what can be likened to the tragedy of the commons, all have taken advantage of TCAS service but few consider its maintenance.

TCAS has now reached a critical point in its existence. The organization is illiquid and insolvent, and needs to be recapitalized and restructured, dissolved or sold. The monthly revenue collected by the TCAS does not cover the expenses necessary without additional support. In the absence of a cost-sharing agreement amongst the three member cities or some other type of arrangement, the TCAS is dependent on the generosity of the City of Fulton alone to finance its current operations, not to mention the replacement of its aging fleet.

Issues related to the model, ownership, governance, management, operations, and geography of the TCAS preclude simple solutions. An independent board operates TCAS, but there are factors that reduce this board's effectiveness. Its members have typically not come from an ambulance or business background, and the board has not retained outside counsel or experts when needed. Due to the ownership structure and the multiple jurisdictions in which it operates, the TCAS's ability to pursue alternative funding solutions, which might fill the gap, is substantially reduced.

Even under ideal circumstances there are economic barriers to providing EMS in rural locales. The demographic reality of the region results in a payer mix that is problematically structured. 72% of TCAS billings are charged to Medicare and Medicaid, organizations that pay according to a set schedule and without regard to amounts billed. TCAS was designed after a market-based business model that is unsuited to the needs and realities of the rural geography under which it operates. Further, it makes no separate provision for the dispersed and low-density population that makes the per capita costs of providing services higher than in urban or suburban settings from which the business model appears to have been patterned.

On August 22, 2011, the City of Fulton adopted Municipal Order 2011-184 authorizing City Manager Steve Freedman to enter into negotiations with TCAS partnerships to obtain additional funding to support the service. If no agreement is reached, the additional funding previously provided by the City of Fulton will cease on November 22, 2011. Unless an alternative source of funds surfaces, or some other workable solution is in place, ambulance service will stop.

Discontinuance of ambulance service, on even a temporary or incremental basis, could jeopardize public safety and affect the community's longer-term social and economic sustainability. EMS helps provide stability and quality of life, which in return provides a base for attracting economic activity, retaining residents, and maintaining community assets. Such services are especially critical during difficult times of economic restructuring. If ambulance service stops, there will be increased uncertainty and decreased ability to cope with stress and change. Increased out migration of residents and businesses which would be expected to result from this new reality could reduce local resiliency and lead to a decline in community standards. Increased transport time and failure to provide pre-hospital triage would create preventable risks. This should never be allowed to happen here.

Given that TCAS is a vital community service, provision must be made to ensure its continuance, and this can only be done by shifting financial responsibility to all those who benefit, not the City of Fulton alone. Schemes designed to extract fair funding must be explored. Agreements with benefactors to contribute to shortfalls in proportion to their expected benefit could be one way to close the gap. However, this should be accompanied by a substantial recapitalization and reorganization of the TCAS management structure, one that replaces the existing constituent pay-in balance and reorganizes the current Board of Director structure. Other solutions that can be

explored include a merger or acquisition with another larger governmental agency that possesses greater reach and a capacity to tax. Alternatively, a merger with or acquisition by a private company with complimentary operations and economies of scale may be possible.

In any case, inaction is not an option. The current monetary arrangement for making TCAS a financially viable operation is simply to rely disproportionately and unjustifiably on the City of Fulton. This is unsustainable and everyone who depends on the TCAS will suffer if responsible funding terms are not decided immediately by those with the authority to do so. Such reorganization should not be seen as an attempt to dismantle TCAS, but as the opportunity to return this essential service to as high a state of health as that which it provides the community. Nostalgia for how the TCAS was funded in the past is not a valid reason to shrink from the necessary changes demanded by today's economic circumstances.

Steve Freedman
Presiding Director, Twin City Ambulance Service
City Manager, City of Fulton