

TO: Mayor and City Council
FROM: Tim Malchow, EMS Chief
SUBJECT: Accept OakPoint, Inc., Proposal
DATE: October 17, 2023

BACKGROUND

The Cannon Falls Ambulance has operated at a break-even or a profit for many years. The increase in costs for health insurance, fuel, supplies, wages, and workers' compensation has quickly depleted our margin for profit.

The ambulance service survives on the funds it collects from patient care that was provided. Without going into a lot of detail, the ambulance service can charge whatever the City Council approves. When a patient receives an ambulance bill and the patient has insurance or a governmental payer (ie: Medicare) they determine what the maximum allowed amount (maximum insurance will pay) to be charged is. The difference between what we billed and the allowed amount cannot be collected from the patient or another payer so it is written off. Then the insurance will pay that amount minus copays or deductibles the plan has. This is overly simplified but insurance or governmental payers will only pay a predetermined amount.

The ambulance industry on a national scale has been working with Medicare and trying to get them to increase the amount they pay for ambulance services. Medicare has launched a mandatory cost reporting of ambulance services. Medicare is trying to determine how much it cost to run an ambulance service and what funding may look like in the future.

I am hopeful that someday, ambulance services will be better paid, but we do not have any timelines from the federal government.

Our billing company is doing a great job getting claims filed and collecting fees that are due. If they are unsuccessful in collecting money, then the City uses a collection agency to attempt to collect the outstanding fees.

The ambulance service provides a service to our community and the surrounding area. My goal is to continue to be able to operate an ambulance service that provides quality services to our community and surrounding area. To ensure we can provide this we need to start educating our community and surrounding areas about the cost of operating the ambulance and the lack of funding for ambulance services.

My goal is to hire OakPoint, Inc., to have an outside company look at our operations and help us determine what we can do to improve revenue. Once we have determined

the financial needs of the ambulance service we will meet with townships and communities we serve. Through these discussions, we will address the nationwide problems with ambulance services and how they are impacting us at a local level. These meetings will discuss ways townships and communities can partner with us.

OakPoint, Inc., has been successful with other ambulance services and non-profit organizations to secure funding for services these groups provide.

REQUESTED COUNCIL ACTION

Request a motion to approve the professional services proposal with OakPoint, Inc.

**City of Cannon Falls
Ambulance Professional Services**

October 11, 2023



OakPoint, Inc.



32527 State Highway 1 NW
Warren, MN 56762

Contact Information:

OakPoint, Inc.
Mark T. Jones, President
32527 State Highway 1 NW
(218)201-0098
mark@oakpointinc.com

Background Information

OakPoint, Inc. is a S Corporation formed in 2014 to provide professional services to healthcare, emergency management and public safety organizations. Three key tenants lead the mission of the organization; plan, prepare and partner. As a partner in each process, OakPoint, Inc. has been successful in assisting organizations in developing short and long-term plans along with preparing them to implement and execute these plans.

OakPoint, Inc. is owned and led by Mark T. Jones. Mark began his EMS career in 1993 serving as an EMT for a rural volunteer BLS ambulance service. Upon certification as a Paramedic in 1995, Mark worked in rural and urban EMS in the ground, rotor, and fixed-wing environments for nearly thirty years. In 2000 Mark began a twenty-year career with a Critical Access Hospital in rural Minnesota where he managed the BLS ambulance service, finance, technology, and safety. Mark graduated, with distinction, from the University of Minnesota with a BS in Business Management.

Mark has engaged with ambulance services, hospitals, emergency management agencies, private non-profits, and for-profit organizations in visioning and planning activities. He has been an advocate for rural EMS and rural health at the local, state, and federal level. His experience with rural EMS and health care leadership, operations, and finance provides the clients of OakPoint, Inc. a well-rounded experience and results tailored to their unique needs.

Ambulance Professional Services

OakPoint, Inc. proposes to provide professional services to the City of Cannon Fall for the purpose of securing financial support from the municipalities served by Cannon Falls Ambulance.

The process to secure funding will include five (5) phases.

Phase 1

Introductory meeting with Cannon Falls Ambulance and City of Cannon Falls. This introductory meeting will be a time to gather background information on the ambulance service.

This meeting will take place in person at a location identified by Cannon Falls Ambulance leadership.

Phase 2

Information and data gathering and analysis. The gathering of information and data guide the process in determining the financial needs of Cannon Falls Ambulance. Short and long-term financial needs will be determined.

All work will be completed remotely during Phase 2.

Phase 3

Financial request and supporting documentation development. During this phase, OakPoint, Inc. will develop materials to share with municipalities to show the past, current, and future needs of Cannon Falls Ambulance. This information will be used to educate decision-makers and to provide a foundation for which future discussions will be based off.

All work will be completed remotely during Phase 3.

Phase 4

Townhall meeting – A townhall meeting will be held to share information with municipality leaders, stakeholders and the community. This event will provide an opportunity to educate all on the history of Cannon Falls Ambulance, along with the current and future needs of the organization.

This meeting will be held at a location and time determined by Cannon Falls Ambulance in consultation with OakPoint, Inc.

Phase 5

Meetings with each municipality will take place during Phase 5. Each municipality will be given the opportunity to meet with OakPoint, Inc. and Cannon Falls Ambulance representatives to learn more about the future needs of the ambulance service and to provide input.

Each meeting will take place at a location and time determined by the municipality, Cannon Falls Ambulance in consultation with OakPoint, Inc.

Upon the conclusion of the meetings with the municipalities, OakPoint, Inc. will provide a report to City of Cannon Falls detailing the work done and information gathered throughout the process and recommendations for next steps.

Timeline

OakPoint, Inc. proposes to begin delivering services on November 1, 2023 with a completion date of June 30, 2024.

Budget Proposal

Budget Item	Amount	Budget Justifications
Professional Services	\$8,500	Professional time to perform services proposed.

Additional Services	Amount	Budget Justifications
Professional Services	\$100/hour	Billed only when agreed to by both parties
Travel	\$1.50/mile	Round trip miles billed only when agreed to by both parties
Lodging & per diem	\$200/day	Only charged when overnight stay is needed as agreed upon by both parties