Catalyst for Regional Progress

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Hilltown Community Ambulance Association
Regional Emergency Medical Services Study

Final Report
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1 Introduction

1.1 Project Overview

The Hilltown Community Ambulance Association (HCAA) has engaged the Pioneer Valley Planning Commission to conduct research and make recommendations that will strengthen the financial condition of the Association, while maintaining or improving the current service level. This report is intended as a draft for the benefit of the HCAA Board of Directors and administrative staff. Their feedback will be vital in the completion of a final public report which will guide the HCAA and its member communities toward the goal of providing a stable and reliable Emergency Medical Service (EMS) for its residents long into the future.

1.2 Executive Summary

Hilltown Community Ambulance Association (HCAA) is a 501(c)(3) nonprofit corporation, established November 1, 2001, which provides paramedic (ALS) level EMS service to the towns of Blandford, Chester, Huntington, Montgomery, Russell, and Worthington. Prior to its founding, EMS service in the area was provided primarily by the Huntington Lions Club, which operated an all-volunteer EMT (BLS) service.

The sparsely populated coverage area is 189 square miles with a total population of 8,192 permanent residents. As is the case with all rural EMS services, achieving response time standards over difficult geography and limited roadway infrastructure is a challenge. Travel times to and from hospitals additionally impact service as compared to more populated areas.

Throughout its 22-year existence, the Association has seen steady growth in both the level of service provided and call volume. The organizational structure and overall staffing numbers have remained relatively consistent for several years, and are appropriate for the call volume and service area. A closer look, however, reveals a higher than desirable amount of staff turnover from year to year, which can result in inconsistent service delivery and continuity as new staff members are trained and become acclimated to the organization. This issue is not unique to HCAA. Factors that contribute to staff turnover include lower than average compensation rates and benefits, rural location with limited population base to recruit from, limited opportunity for advancement due to the size of the organization, and an overall shift away from EMS careers throughout the nation.

From its inception, HCAA has struggled to keep pace with constantly escalating operating and capital costs. This situation is not unique to HCAA and is something that every emergency medical service must deal with. In a January 2022 presentation to the member communities, the Board of Directors and previous Service Director clearly identified financial and operational issues and made realistic recommendations to create a more sustainable financial model for the future. Suggestions from the report included:

- Increase the town assessments to realistically reflect the financial and operational needs of the organization.
- Increase compensation rates and benefits to attract and retain new candidates.
- Reduce the need for overtime by increasing base pay and scheduled staffing levels.
- Increase funding of the Ambulance Replacement Account to ensure future replacement of vehicles and equipment.

Following vigorous and productive discussion with the towns in the Spring of 2023, a substantial $10 per capita increase in town assessments for the current fiscal year was agreed to, with each member town voting overwhelmingly to increase its contribution. This new funding reflected an approximate 40%

increase in municipal assessments from $25.20 to $35.20 per capita, and has allowed HCAA to substantially increase and maintain payrates. The capital account, titled the Ambulance Replacement Fund, likewise improves the ability of the Association to effectively plan for future capital vehicle and equipment needs.

Although great strides have been made in the past two years to identify and mitigate some longstanding financial issues, HCAA still finds itself substantially behind many other EMS organizations regarding the funding of other operational needs and capital assets. For example, medical benefits are offered to fulltime staff members, however only two members currently take the benefit. With eight fulltime employees, it is questionable whether current revenue could support all members receiving that benefit. Other benefits, such as training for paramedic certification and retirement benefits are not offered at all.

While a capital fund has been established for vehicle and equipment replacement, no such fund exists for the headquarters building. Constructed in 1973 New England Telephone and Telegraph, the 1,536 square foot steel framed, concrete block building was subsequently acquired by Eversource. Upon the founding of HCAA in 2001, Eversource began leasing the building to HCAA at no charge. In 2015, the building was sold for $50,000 to the Town of Huntington and, in turn, leased to HCAA for a fee of $4,800 per year. Finally, in September 2020 the Town sold the property to HCAA for $50,000. Assessor's records show a current building value of $87,900 and land/yard value of $39,900 with total value of $127,800. Because HCAA is a nonprofit corporation, the property is tax exempt. The building is significantly undersized to house a 24-hour ambulance service, with no separate facilities for sleeping, eating, storage, meeting or training.

Until such time that funding levels are increased to reflect all capital and operational needs of the organization, HCAA will continue to experience significant financial pressure. This report presents findings of the Pioneer Valley Planning Commission in Sections 2 and 3, followed by recommendations and alternatives for continued improvements in Sections 4 and 5.

2 Operations Review

HCAA has been operating since 2001 and was preceded by the Huntington Lions Club EMS service. It has operated since its inception as a paramedic level Advanced Life Support (ALS) service. Under the terms of its current 2023 contracts with the member communities, HCAA is required to provide ALS service at least 78% of the time. Following the detrimental effects of the Covid-19 Pandemic, in 2021 the Association was achieving ALS coverage only about 68% of the time. That number has increased to 92% as of 2023.

2.1 Staffing and Shift Coverage

Staffing is comprised of a mix of fulltime, parttime and per diem Paramedics (ALS certified) and EMT's (BLS certified). For the past four years, fulltime staffing has been very consistent with an average of eight fulltime employees. Currently, the fulltime staff is comprised of four paramedics and four EMT's. On average, fulltime staff currently work an average of 8 overtime hours per week. The Association's stated goal is to reduce overtime as much as possible. Parttime and per diem staffing being carried on the books in the past four years has been more variable, but this is due primarily to individuals being retained on staffing sheets when they were no longer actually taking any shifts. The current FY24 staffing level is more reflective of actual staff members who were working.

HCAA Employee Count FY2021-FY2024

	FY2021	**FY2022**	**FY2023**	**FY2024**	**Average**
Fulltime	7	9	8	8	**8**
Parttime	16	6	10	6	**9.5**
Per Diem	10	17	7	8	**10.5**

By contract with the towns, HCAA is expected to always have two staff members on duty, with at least one paramedic from 8:00 AM to midnight. The midnight to 8:00 AM shift can be BLS level service (2 EMT's), although the current Board and administration strive to provide ALS service as much as possible. As mentioned elsewhere in this report, ALS has improved in the past two years from 68% to 92% at the current time.

2.2 EMS Equipment & Vehicles

HCAA currently has two ambulances in service. Both are equipped for ALS paramedic level care and located in the HCAA Station on Bromley Road in Huntington. Due to lack of sufficient funding, HCAA is not able to purchase new vehicles, purchasing used vehicles. Additionally, the Association does not generally have sufficient reserves on hand to purchase vehicles for cash and must borrow money in order to make those larger purchases. The most recent ambulance is a Ford 650 and was purchased this past summer at a cost of $73,500. HCAA paid $20,000 in cash and financed the remainder at an interest rate of 6.5%.

2.3 EMS Facility

The HCAA building is located at 1 Bromley Road in Huntington. Constructed in 1973 New England Telephone and Telegraph, the 1,536 square foot steel framed, concrete block building was subsequently acquired by Eversource. Upon the founding of HCAA in 2001, Eversource began leasing the building to HCAA at no charge. In 2015, the building was sold for $50,000 to the Town of Huntington and, in turn, leased to HCAA for a fee of $4,800 per year. Finally, in September 2020 the Town sold the property to HCAA for $50,000. Assessor's records show a current building value of $87,900 and land/yard value of $39,900 with total value of $127,800. Because HCAA is a nonprofit corporation, the property is tax exempt.

The building is significantly undersized to house a 24-hour ambulance service, there are no separate sleeping, eating, meeting or training facilities. Most maintenance and renovations over the years have been accomplished through donations and volunteer labor. Some electrical upgrades have been recently completed thanks to contributions of local ARPA funds appropriated from the towns of Blandford, Chesterfield, Middlefield, and Worthington. Other energy efficiency measures, including HVAC and insulation upgrades, remain unfulfilled.

The station comprises two vehicle bays, a small office, and a restroom. Although HCAA is a 24/7 service, there are no separate sleeping or eating facilities. There are also no dedicated training/meeting facilities, which can be an issue when hosting gatherings of more 10 people. Storage is also very limited. In short, space is extremely limited. The following are issues, concerns, and deficiencies with the facility:

- As a twenty-first century 24/7 emergency service organization, sleeping, shower and kitchen facilities are highly desirable in order to improve the overall work environment, and attract and retain staff.
- The bays are undersized; damage observed on bay door jambs due to extremely tight vehicle fit. When vehicles are in bays, cannot maneuver fully around vehicles, and rear bumpers nearly touch storage cabinets. Bays are not insulated properly, and the HVAC system is inadequate for heating and cooling, making it difficult to do any maintenance or provisioning of vehicles while in bay or in inclement weather.
- Minimal storage on premises; consists primarily of low-grade cabinets, and a small storage closet.
- No training or meeting space unless ambulances are moved out.
- No wash-down, decontamination equipment or equipment servicing space within bays; no sinks, eye wash or shower stations for personnel hazardous material exposures.

- No laundry or washing facilities or equipment, other than utility sink in bathroom, for uniforms, linens, personal protective equipment, etc.
- No lockers or individual storage areas.
- No cooking or food storage/prep areas.
- No secure storage for medical supplies and narcotics in the building. Currently these items are locked in the ambulances.
- The interior and garages spaces appear to lack fireproof separation.

Proper building facilities will go a long way in recruiting staff who may be more willing to stay. Although funding for renovations, expansion or new construction may not be readily available or apparent, conducting a feasibility study should be considered within the next year or two.

HCAA Capital Asset Inventory

Buildings, Vehicles & Equipment	Year Acquired	Location
Headquarters Building - Built by Eversource in 1973, Acquired by Town of Huntington 2015, Acquired by HCAA 2020	2020	Station
Ambulance (A1)- 2013 Chevy Express w/ Osage Box	2017	Station
Ambulance (A2) - 2011 Ford F650 w/ Braun Box	2023	Station
LifePak 15 Monitor	2015	A1
LifePak 15 Monitor	2010	A2
LUCAS 2	2010	A2
LP1000 AED	2020	A1
LP1000 AED	2020	A2
Stryker Stair-Pro	2017	A1
Stryker Stair-Pro	2017	A2
Laerdal Suction Unit	2007	A1
Laerdal Suction Unit	2006	A2
Panasonic CF-31 Toughbook	Unknown	A1
Panasonic CF-31 Toughbook	Unknown	A2
Power Pro XT Stretcher	Unknown	A2
Performance Pro XT Stretcher	Unknown	A2
Performance Pro XT Stretcher	Unknown	Station
Motorola PM400 Radio	Unknown	A2
Motorola CDM1250 Radio	Unknown	A2
Motorola CDM1250 Radio	Unknown	A1
Motorola CDM1250 Radio	Unknown	A1
Motorola CDM1250 Radio	Unknown	A1
Motorola CDM1550-LS Radio	Unknown	A1
Motorola HT1250 Potable Radio	Unknown	A2

2.4 Historical Call Volume 2018-2023 (YTD)

The volume of service provided by HCAA has increased significantly in the past five years and is in keeping with experience of virtually all EMS services in the region and nationally. The table below shows the call volume data for the full calendar years 2018-2019 and 2021-2022, and the current calendar year through 11/7/23. Data for 2020 is missing and not included in this table. Total annual call volume for the service area increased 20.2% from 2018-2022, an average of about 5% per year. It must also be noted that the actual number of transports to a hospital is substantially less than the total number of calls responded to. The following table shows call volume as well as transports. In most instances, insurance only pays when the patient is transported by ambulance to a medical facility.

Historical Call & Transport Volume per Town by Fiscal Year
(Data for 2020 not available)

Town	2018	2019	2021	2022	2023**
Blandford	61	56	65	77	59
Chester	108	81	102	112	118
Huntington	204	219	201	224	188
Montgomery	68	69	70	100	64
Russell	120	128	149	183	151
Worthington	93	94	81	97	100
Region Call Total	**660**	**647**	**668**	**793**	**680**
Region Transport Total	**440**	**438**	**470**	**520**	**462**

** 2023 date through 11/7/23

2.5 Service Agreement, Service Area, and Response Time

Service Agreement

Beginning July 1, 2023, HCAA strengthened its relationships with each of the member towns by negotiating new contracts that detail the obligations of each party. The terms and conditions between HCAA and each town are identical, although the actual amount of each town's assessment varies based on population. In short, the towns agree to make quarterly payments to HCAA at a rate of $35.20 per capita for the purpose of contributing to the operating budget of HCAA. Additionally, the towns agree to contribute separately to a capital account, titled the Ambulance Replacement Fund. The amount of that assessment is 8.5% of the assessment for operations and the purpose is to provide more reliable funding for the replacement of ambulances. The towns shall be notified of the amount of each assessment at least 120 days prior to the expiration of the current contract.

In exchange, HCAA is required to provide paramedic level at least 78% of the time 24 hours a day. HCAA *may*, "consistent with its available resources and provision of the aforesaid emergency medical services, conduct or participate in community- related programming, such as participation in community health fairs, school educational activities and similar events."

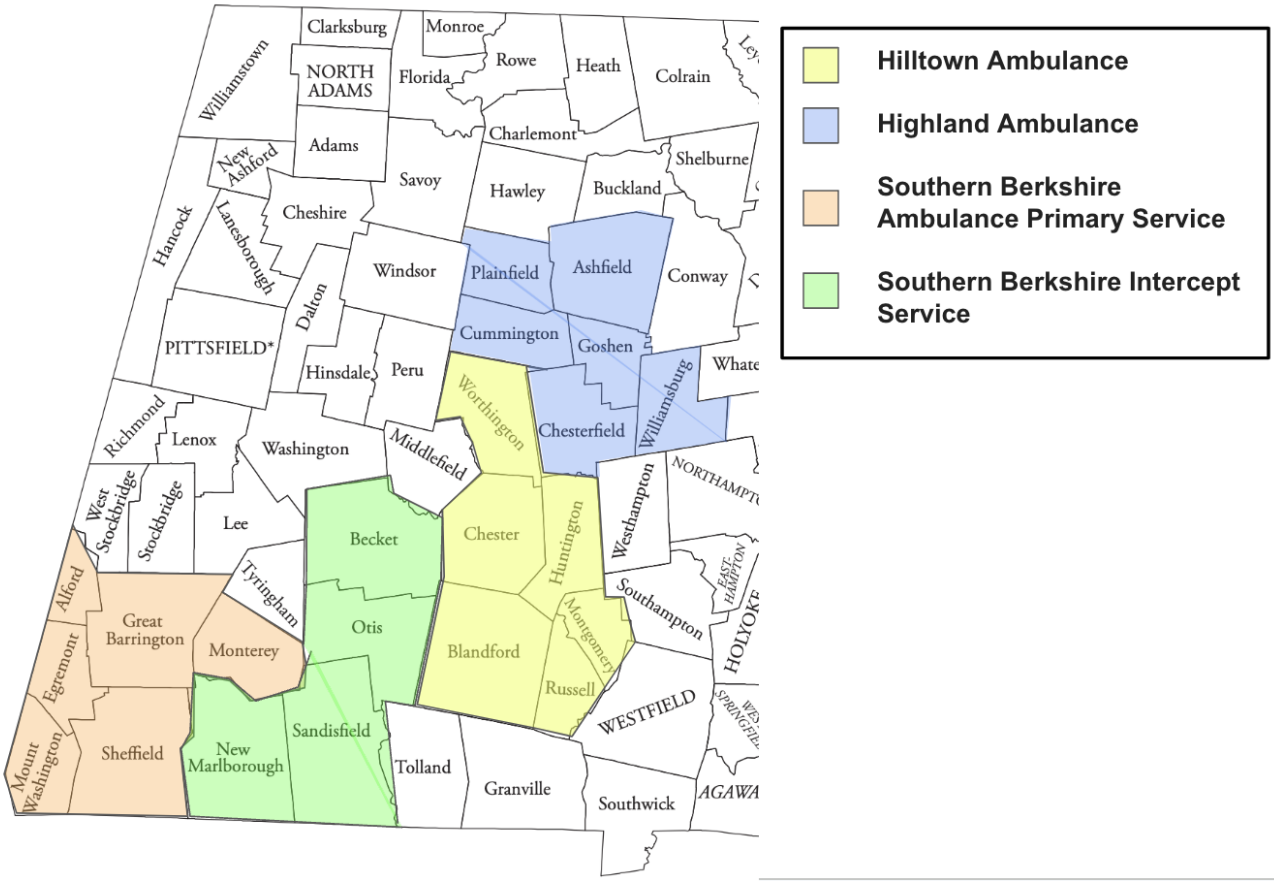
Service Area

In Massachusetts, the most commonly accepted definition of a rural municipality is a town with a population less than 10,000 people and a population density below 500 people per square mile. The HCAA service area encompasses six towns with a total population of 8,192 and 189 square miles. The following table shows that the HCAA service area is well below the thresholds defined by the State.

Hilltown Community Ambulance Association

Town	Population	Area in Square Miles	Population Density
Blandford	1215	51.6	24
Chester	1228	36.6	34
Huntington	2094	26.3	80
Montgomery	819	15.1	54
Russell	1643	17.3	95
Worthington	1193	32	37
Service Area	**8192**	**178.9**	**45.8**

The following map shows the overall regional service area, including Highland EMS and Southern Berkshire EMS.



Response Time

Given the large service area, sparse population, and limited budget, HCAA does an exemplary job in meeting State response time requirements. In situations where every second matters, HCAA and its staff have improved response times each of the past three years. The following table shows response times for the past three calendar years.

Average Response Time to Scene 2021-2023

Town	2021	2022	2023**
Blandford	0:19:24	0:17:32	0:14:52
Chester	0:14:02	0:12:30	0:11:56
Huntington	0:07:00	0:05:49	0:06:16
Montgomery	0:10:24	0:10:11	0:07:46
Russell	0:04:52	0:11:10	0:09:50
Worthington	0:21:08	0:18:26	0:16:41
HCAA Service Area	0:12:48	0:12:36	0:11:13

** 2023 date through 11/7/23

2.6 Regional Demographic Trends & Projections

Like much of western Massachusetts, the HCAA service area has seen population decline in recent years, particularly as compared with more populated areas in eastern Massachusetts. The table below illustrates overall population trends in the past 12 years for each member town, the HCAA service area, and Hampden/Hampshire Counties.

Annual Estimates of the Resident Population (July 1 Estimates)

Town/County	2010	2020	2022	Change 2010-2022	% Change 2010-2022	Change 2020-2022	% Change 2020-2022
Blandford	1,227	1,214	1,210	-17	-1.4%	-4	-0.3%
Chester	1,339	1,228	1,220	-119	-8.9%	-8	-0.7%
Montgomery	846	817	818	-28	-3.3%	1	0.1%
Russell	1,784	1,638	1,631	-153	-8.6%	-7	-0.4%
Huntington	2,184	2,092	2,069	-115	-5.3%	-23	-1.1%
Worthington	1,159	1,191	1,183	24	2.1%	-8	-0.7%
Hampden County	464,248	464,407	461,041	-3,207	-0.7%	-3,366	-0.7%
Hampshire County	159,331	146,592	162,588	3,257	2.0%	15,996	10.9%
HCAA Service Area	**8,539**	**8,180**	**8,131**	**-408**	**-4.8%**	**-49**	**-0.6%**

Source: UMass Donahue Institute, 2023

While the total population of the HCAA service area has decreased by more than 5% in the past 12 years, the following table shows the over-65 population in the HCAA service area remains significantly above regional and State averages.

Population by Age

Town/County	Under 18 years	18-64 years	65 years and over
Blandford	12.4%	60.6%	27.0%
Chester	23.4%	58.3%	18.3%
Huntington	21.2%	62.6%	16.2%
Montgomery	18.4%	59.9%	21.7%
Russell	14.3%	70.5%	15.2%
Worthington	12.9%	52.2%	34.9%
HCAA Service Area	**17.1%**	**60.7%**	**22.2%**
Massachusetts	19.6%	63.3%	17.1%
Hampden County	21.2%	61.4%	17.4%
Hampshire County	15.1%	65.8%	19.1%

The Age Dependency Ratio measures the working-age population to non-working age populations. This table illustrates that the ratio of over-65 to working-age population in the HCAA service area is even more significant when compared to regional and State averages.

Age Dependency Ratio

Town/County	Median age	Age dependency ratio[1]	Old-age dependency ratio[2]	Child dependency ratio[3]
Blandford	53	64.9	**44.5**	20.4
Chester	46.3	71.5	**31.4**	40.1
Huntington	43.9	59.9	**26**	33.9
Montgomery	50.8	66.7	**36.1**	30.6
Russell	45.7	42	**21.6**	20.4
Worthington	61	91.5	**66.9**	24.7
HCAA Service Area	**50.1**	**66.1**	**37.8**	**28.4**
Massachusetts	39.8	58	**27**	30.9
Hampden County	39.5	62.8	**28.3**	34.5
Hampshire County	39.3	52.2	**29.1**	23.1

1. The "age dependency ratio" is the number of children and seniors for every 100 people ages 18-64
2. The "old-age dependency ratio" is the number of seniors (65+ years old) for every 100 people ages 18-64
3. The "child dependency ratio" is the number of children (0-17) for every 100 people ages 18-64

As the 65-and-over cohort continues to remain substantially higher than other areas of the State, a larger burden is consequently placed on EMS services. At the same time, the amount of revenue per call is reduced as the proportion of Medicare/Medicaid calls (and the associated rate of reimbursement) also increases.

It remains to be seen if these trends will continue and for how long. Rural areas throughout the state saw increased interest in fulltime residency, as well as second home ownership, during the COVID-19 pandemic. Other economic development opportunities that have the potential to increase the working-age population include the recent emphasis on broadband buildout in rural areas, the proposed development of east-west rail, and the potential for improved access to the Mass Turnpike. However, it is likely that the aging trends will continue, placing an increasing burden on all emergency services, including EMS. These same trends will also certainly impact the pool of interested and able individuals willing to be EMTs and paramedics. Both factors will put increasing pressure on HCAA to continue to bring on regular, full-time personnel.

3 Financial Review

From its inception, HCAA has been “behind the curve” regarding proper funding of its EMS service. Prior to establishment as a nonprofit corporation, primary EMS service was provided on a volunteer basis by the Huntington Lions Club, supplemented by a good deal of paramedic level intercept service and mutual aid from other area public and private EMS services. Although relatively substantial funds to begin the new professionalized service were appropriated by each of the member towns, the total investment was never adequate to put HCAA on solid financial footing. While there has been a general awareness of the situation over the years, HCAA leadership has also had a keen appreciation of the significant financial constraints that each of the member towns deal with and, as such, have chosen to “make do”.

In the past few years, the HCAA Board and administration have become more proactive in engaging member towns to establish an open dialogue between all the partners around mutual goals, as well as challenges. In a major step forward this past Spring, all parties were able to agree on a path forward whereby each town signed a contract with HCAA, clearly outlining their responsibilities and a timetable for future budget discussion.

An important component to this agreement was the recognition that a simple and clearly understood funding formula be adopted that would provide more realistic and reliable assessments to the Association from each member town. The towns and the Association agreed that assessments to partially fund the operating budget would continue to be calculated on a per capita basis and, importantly, the per capita assessment increased $10 per resident. This most recent increase represents a roughly 40% increase from FY23. A much smaller additional assessment to fund the Ambulance Replacement Fund was also agreed to. The assessment that each town contributes to the Ambulance Fund is 8.5% of the amount contributed to the operating budget.

The Towns and the HCAA are to be commended for agreeing to these clearly articulated formulas. As time goes on, it will be important for communication to remain open and transparent. All parties need to understand each other's responsibilities and challenges.

3.1 Operating Expenses

Approximately 75% of the HCAA budget is payroll, payroll taxes, and other employee-related costs. Under Other Expenses, the most significant costs are supplies, insurance and costs related to billing insurance companies. Total expense for the last three audited years (FY20/21/22) was remarkably stable, with each year in the $650,000 range. As a result of the new agreements with member towns and the increased assessments, payroll expenses in FY23 and beyond will increase accordingly. The following table shows increases in the hourly starting pay rates from July 2021 through December 2023. These increases now make HCAA pay rates competitive with its peers at Highland EMS and Southern Berkshire EMS, although still significantly behind other larger public services.

Hourly Pay Rates July 2021 to July 2023

Position	7/1/2021	1/1/2022	7/1/2023
Part Time EMT	$15.00	$18.00	$19.00
Full Time EMT	$16.00	$19.00	$20.00
Part Time Paramedic	$18.00	$25.00	$26.00
Full Time Paramedic	$19.00	$26.00	$27.00
Service Director	$24.93	$27.00	$32.00
Chief Financial Officer	NA	NA	$28.00

3.2 Capital Costs & Planning

While HCAA has begun setting aside certain funds from the member towns in a reserve account titled the Ambulance Replacement Fund (ARS), the amount is not sufficient to keep up with all capital needs. Nor is it enough to be able to purchase late model or new vehicles. Ambulance prices have skyrocketed in recent years, increasing from around $250,000 just 4-5 years ago to $350,000 or more today. Other capital equipment that must be upgraded periodically includes monitors, AED's, power stretchers, radios, computers, and more. And of course, the need for upgrades, additions, or replacement of the station house is long overdue. Establishment of capital accounts and funding sources for these other purposes should be considered as HCAA and the towns prepare for the future.

3.3 EMS Revenues

Revenue comes from two primary sources: patient billing which comprises insurance reimbursements and amounts collected from balance billing customers; and annual assessments from the member towns. A third smaller source of funding is derived from grants, donations, subscription plans, and miscellaneous. The split between sources of funding will vary from year to year, but has been in the general range of 60% from patient billing, 30% from town assessments and 10% from Other. With the larger than usual increase in assessments, these ratios are likely to change.

3.4 Revenue & Expenditure Summary

The tables below demonstrate how HCAA has done a good job of living within its means, balancing expenditures with revenue. As noted elsewhere in this report, the Association has been historically underfunded, often leaving little flexibility to deal with cashflow issues that are an intrinsic element of financial management in all EMS organizations. This is simply a function of the reality that payments from Medicare, Medicaid, and insurance companies typically lag behind expenditures associated with delivery of service by 4-6 months. As a result, there have been numerous occasions where some bills are intentionally paid late so that payroll can be met. Management reports that cashflow issues have significantly subsided since the increase in assessments to the towns in beginning in FY24.

Equally concerning is the lack of the desired capital investment necessary to ensure optimal working conditions and delivery of service. The HCAA management and Board of Directors have "made do" for more than two decades, relying on volunteers, donations, and fundraising to address building, vehicle and other equipment needs. As all stakeholders continue to work toward a more sustainable financial model, it will be important to consider all capital and equipment needs. Likewise, a more proactive approach in pursuit of grants and donations must also be part of the equation.

The following revenue and expense summary shows important increases in expenses and revenues in the past two fiscal years, reflecting an increase in call volume. The increase in revenue related to assessments will not show up until FY 2024.

4-Year Revenue & Expenditure Summary

	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Unaudited)
REVENUE				
Ambulance Service	$ 398,869	$ 368,591	$ 486,766	$ 441,265
Assessments to member towns - operations	$ 191,005	$ 201,510	$ 206,548	$ 198,150
Assessments to member towns - capital	$ 17,994	$ 17,994	$ 17,994	$ 31,538
Assessments - Trust Fund				$ 8,158
Contributions and grants	$ 80,187	$ 72,619	$ 61,823	$ 71,655
Interest income	$ 272	$ 175	$ 44	$ 47
Miscellaneous income	**$ 2,285**	**$ 186**	**$ 25**	**$ 2,425**
TOTAL REVENUE	**$ 690,612**	**$ 661,075**	**$ 773,200**	**$ 753,238**
EXPENSES				
Compensation and related expenses				
Salaries	$ 397,432	$ 418,670	$ 450,259	$ 524,228
Payroll taxes	$ 36,309	$ 39,408	$ 39,456	$ 46,204
Total compensation & related expenses	$ 433,741	$ 458,078	$ 489,715	$ 570,432
Bad debt	$ 12,832	$ 5,360	$ 183,026	
Billing Services	$ 24,866	$ 22,346	$ 17,739	$ 33,324
Building repairs	$ 4,019	$ 5,122	$ 3,649	$ 6,330
Depreciation	$ 16,099	$ 11,769	$ 7,651	???
Education & training	$ 7,607	$ 2,243	$ 828	
Equipment repairs	$ 5,307	$ -	$ 268	
Insurance	$ 29,200	$ 41,171	$ 38,078	$ 38,372
Intercept fees	$ 15,500	$ 7,475	$ 3,175	$ 23,050
Interest expense	$ 3,749	$ 2,921	$ 2,387	$ 2,564
Licenses & permits	$ 1,337	$ 1,300	$ 1,685	$ 1,300
Professional fees	$ 16,480	$ 17,979	$ 16,320	$ 17,645
Rent	$ 5,280	$ 1,320	$ -	$ -
Supplies	$ 53,000	$ 49,566	$ 34,770	$ 32,387
Uniforms	$ 840	$ -	$ 1,941	$ 1,738
Utilities	$ 8,416	$ 7,168	$ 5,238	$ 4,213
Vehicle repairs & fuel	$ 15,810	$ 11,077	$ 30,792	$ 27,501
				$ 30,871
TOTAL EXPENSES	**$ 654,083**	**$ 644,895**	**$ 837,262**	**$ 789,727**
NET ASSETS - BEGINNING	**$ 132,284**	**$ 168,813**	**$ 184,993**	**$ 120,931**
CHANGE IN ASSETS	**$ 36,529**	**$ 16,180**	**$ (64,062)**	**$ (36,489)**
NET ASSETS - ENDING	**$ 168,813**	**$ 184,993**	**$ 120,931**	**$ 84,442**

3.5 Comparison of Demographics and Municipal Finances between HCAA and Highland Ambulance

HCAA is most often compared with Highland Ambulance EMS, which services a similar population in 6 towns immediately to the north. The most significant financial difference between the two organizations is the assessment made by each member town. Where the current assessment to HCAA member towns is $35.20 per capita ($38.20 including the Ambulance Fund) in the current fiscal year, Highland EMS receives approximately $60 per capita. This longstanding disparity in funding has resulted in a significant difference in capital spending. The following tables compare population, service area, and financial information between the two service areas.

Comparison of EMS Service Areas

	HCAA	Highland	% Diff
Population	8192	7807	**4.70%**
Area	179	158	**11.73%**
Population Density	45.8	49.5	**-8.08%**
Income per Capita	$31,899	$27,637	**13.36%**
EQV Per Capital	$123,534	$155,403	**25.80%**
Average Tax Bill	$4,154	$4,637	**11.63%**

Hilltown Community Ambulance Association

Town	Population	Area	Population Density	Income Per Capita	EQV Per Capita	Average Tax Bill
Blandford	1215	51.6	24	$ 32,467	$ 148,774	$ 3,775
Chester	1228	36.6	34	$ 25,663	$ 105,786	$ 3,745
Huntington	2094	26.3	80	$ 32,904	$ 97,093	$ 4,190
Montgomery	819	15.1	54	$ 36,298	$ 139,192	$ 3,992
Russell	1643	17.3	95	$ 35,191	$ 97,009	$ 4,850
Worthington	1193	32	37	$ 28,871	$ 153,352	$ 4,374
Service Area	**8192**	**179**	**45.8**	**$ 31,899**	**$ 123,534**	**$ 4,154**

Highland Ambulance EMS

Town	Population	Area	Population Density	Income Per Capita	EQV Per Capita	Average Tax Bill
Ashfield	1695	40	42	$ 28,255	$ 160,004	$ 4,752
Chesterfield	1186	30.9	38	$ 31,221	$ 139,187	$ 5,015
Cummington	829	22.9	36	$ 31,280	$ 164,975	$ 3,772
Goshen	960	17.3	55	$ 16,413	$ 181,061	$ 4,238
Plainfield	633	21.1	30	$ 28,662	$ 155,114	$ 4,167
Williamsburg	2504	25.6	98	$ 29,992	$ 132,079	$ 5,878
Service Area	**7807**	**158**	**49.5**	**$ 27,637**	**$ 155,403**	**$ 4,637**

3.6 Financial Management

Every year HCAA undergoes an independent audit. The results of these audits have consistently revealed that the Association is being properly managed from a financial and operational perspective. The Service

Director and Chief Financial Officer work well together to maximize service on a limited budget. HCAA has utilized the services of the same auditing firm for the last 4-5 years. The Board should consider periodically putting the contract for these services out to competitive bid.

The reporting format being used by the auditor is different from the format used internally by HCAA staff. The CFO should coordinate with the auditor to standardize reports between all documents.

The Association utilizes the services of Comstar to track and collect revenues from Medicare, Medicaid, and insurance companies. Collection of this revenue is a complicated process and the fees charged by Comstar are appropriate and a significant savings versus the expense that would otherwise be incurred if this task were performed by HCAA staff.

4 Findings and Recommendations for Operational & Fiscal Sustainability

Sections 2 and 3 discussed the findings and observations for the Hilltown Community Ambulance Association relative to operations, financial management, and administration. This section presents recommendations for HCAA and its member towns to consider as they determine next steps in ensuring sustainability of their Emergency ~~M~~edical Services long into the future.

4.1 Financial Management & Administration

- **Annual Budget Preparation and Timeline**
  HCAA does not currently prepare a detailed budget in preparation for its next fiscal year. While the administration has a good understanding of its projected future revenue and expenses, the Board of Directors and, more importantly, the member towns are not as familiar with important details of the budget. A published budget, well in advance of the start of the fiscal year, would be very helpful in providing the transparency necessary to facilitate clear understanding of HCAA's needs.

  Preparation of the budget should begin in November of the prior year with discussion and establishment of goals for the coming year. Once those goals are agreed upon, an initial draft budget should be prepared by administration and presented to the Board of Directors in January. Once the Board has settled on a proposed budget, the budget should then be ready for initial submittal to each of the member towns in February. The proposed budget should be presented to the towns in conjunction with a presentation to each of the towns Selectboards. Based on feedback from those presentations and discussions, a final budget should be delivered to the towns no later than April 1.

- **Multiyear Financial Plan**
  In addition to preparing an annual budget, preparation of a Multiyear Financial Plan would help to guide future growth of the EMS service, keep up with best practices, and better ensure that there are no surprises. The plan should encompass anticipated staffing, operational and capital needs for 3-5 years, while acknowledging the financial limitations of the member towns. The plan should be clearly viewed as a draft, subject to change, and updated annually.

- **Capital Improvement Plan (CIP)**
  As previously mentioned, HCAA should establish additional capital accounts to provide for long-term building and equipment needs, in addition to the Ambulance Fund, which is already in place. The CIP should anticipate capital needs for a 5-year period and should identify potential sources of funding, including municipal assessment, operating funds, grants, and donations. Like the Multiyear Financial Plan, the CIP should be viewed as a draft, subject to change, and reviewed annually.

- **Staffing & Personnel**
  In the past 2 years HCAA has made great strides to stabilize staffing. The service is now staffed on a 24/7 basis, with two FTE's at all times. As part of its agreement with the member towns, at least one ALS certified employee is normally on duty from 8:00 am to midnight, with BLS service provided from midnight to 8:00 am. Stakeholders should be proud that this staffing model has been implemented and should consider a goal of attempting to provide ALS during the overnight hours at some point in the future.

  Recent payrate increases have improved the ability to attract and retain personnel. HCAA should take a similar look at its employee benefits. The Association offers health insurance, sick time and vacation pay to fulltime employees. Training is regularly offered to all employees, however payment or reimbursement for continuing education that leads to advanced certifications is not a regular part of benefits that are offered. The Board might consideration offering reimbursement for education/certification with a stipulation that the employee remain with the organization for a minimum period of time in exchange for this financial support. If one does not already exist, HCAA should create an employee handbook and promote it as a recruiting tool.

- **Publicity, Communication & Marketing**
  HCAA does a good job on social media, specifically Facebook. The website could use a "refresh" with more current photos, graphics, and up-to-date information. A blog page on the website with interesting information and links to articles focused on healthy living, medical topics, safety, and insurance would provide a valuable service to residents, keeping the organization and its services "top of mind." A quarterly newsletter with current information and events geared to engage residents of the member towns might also be incorporated into the website, posted on social media, and emailed to subscribers. Paper copies of the newsletter could also be distributed at various drop-off locations in the member towns, such as senior centers, libraries, and town halls.

  The Board of Directors should consider holding two or three of their monthly meetings each year in other locations within the HCAA service area and invite the public to attend. These open meetings could perhaps be combined with special presentations of general interest to the residents and used as an opportunity to promote the EMS service.

  As discussed earlier in this report, effective communication with each member town regarding financial and operational issues is key to improving service, stabilizing operations, and ensuring the future of HCAA for the benefit of the member towns it serves. All of the recommendations in this section should be viewed as important pieces that will achieve that goal. Discussions regarding further potential increases in municipal assessments should be pursued immediately and collaboratively with a goal of continued open communication and clear understanding of the needs, desires, and limitations of all stakeholders.

- **Makeup of the Board of Directors**
  The current bylaws of the Board of Directors call for one representative from each member town and up to three at-large members. The bylaws stipulate that any member of the Board that is also a member of their towns Selectboard may only participate on the HCAA Board in an ex-officio (non-voting) capacity. The Board should consider removing that stipulation as an inherent conflict of interest does not necessarily exist for any individual acting in these dual roles. On the contrary, a case could be made that a Selectboard member is best prepared to represent the interests of their community and, at the same time, be able to advocate most effectively for the physical and financial wellbeing of town residents.

  The Board might also consider adding language to its bylaws that articulates a desire to recruit Board members with specific experience and training in the medical and financial fields.

- **Potential for a Satellite Location in Blandford**
  The Town of Blandford is currently pursuing the construction of buildings for its Fire Department and/or Highway Department. The current Blandford facilities, as well as contemplated new facilities, are located within one mile of the service entrance to the Massachusetts Turnpike. Members of the Board have stated their desire to look for additional sources of revenue. One such opportunity may exist if the HCAA can partner with Blandford Fire or Highway to arrange for easy access to respond to emergencies on the Turnpike. It is far from assured that any such arrangement is financially or operationally viable, but given the current planning and feasibility study occurring, the HCAA Board should consider reaching out to Blandford to begin a conversation.

4.2 Organizational Alternatives

The HCAA Board has asked that PVPC investigate potential alternate organizational models as part of this report. The choices are to continue with the current model; disband the current organization and enter into an arrangement where one town takes over control of the organization and enters into an Inter-Municipal Agreement (IMA) with the other member towns; disband the current organization and create a new governmental organization known as a Joint Powers Entity (JPE) with shared control under a Joint Powers Agreement (JPA), or to merge the current organization with another local/adjacent EMS organization. The following is a brief synopsis of each of these alternatives.

- **4.2.1 Continue with the current model**
  The current HCAA model as a nonprofit corporation has served the organization and towns well for over twenty years. While funding has been a longstanding issue, recent efforts have been made to improve that situation and plans are in place to continue dialogue that will hopefully lead to a sustainable future. The benefits of the current model include:

  - Arms-length relationship with member towns provides flexibility for HCAA to act independently while still maintaining strong channels of communication with town leaders, staff, and residents.
  - Ability to offer benefits without participation in a financially burdensome State/Regional retirement system.

- As a non-governmental agency, HCAA is not required to comply with burdensome regulations such as Prevailing Wage. This can be financially advantageous when/if the time comes for significant construction or repairs to buildings.
- While HCAA is not eligible for certain grants, specifically the SAFER grant, they are eligible to apply for others, including the Assistance to Firefighters grant. HCAA should be regularly applying for these and other grants.
- Many individuals are more likely to donate to a nonprofit organization, rather than a municipal department.

- **4.2.2 Inter-Municipal Agreement (IMA)**
  If the HCAA were to disband, one option would entail a different type of shared services model with one of the member communities taking ownership of the assets of the organization. This lead municipality would be responsible for managing the new EMS department within its municipal structure and would enter into an Inter-Municipal Agreement with other willing municipalities. The IMA would guide how the EMS service is funded, staffed, and managed. Benefits of this model include:

  - Closer relationship with member towns may provide the opportunity for better, more frequent communication and coordination with other town departments and personnel such as Police, Fire and Emergency Management.
  - May allow for closer coordination with other public safety.
  - Would provide access to municipal resources such as financial/accounting services, legal services, medical and general liability insurance, and more.
  - The requirement that committee meetings be posted and open to the public, resulting in greater transparency and accessibility for residents, voters, and taxpayers.
  - Opportunity to apply for certain grants that may not be available to private organizations.

- **4.2.2 Joint Powers Agreement/Entity (JPA/JPE)**
  Another type of shared services model is called a Joint Powers Entity. The JPE would be guided by a Joint Powers Agreement and would operate would operate independently from the member communities. JPA's are codified under Massachusetts General Law Chapter 40 Section 4A1/2 (Enacted November, 2016). Similar to regional school districts, this new governmental organization would be governed by an elected Board and, like the current arrangement, funded in part through assessments to the member towns. Benefits of this model include:

  - The requirement that committee meetings be posted and open to the public, resulting in greater transparency and accessibility for residents, voters, and taxpayers.
  - Opportunity to apply for certain grants that may not be available to private organizations.
  - Elected Board members may provide the opportunity for greater accessibility and accountability for voters and taxpayers.

- **4.2.3 Merge or share resources with one or more EMS organizations**
  All rural regional nonprofit EMS organizations struggle with the issues being confronted by HCAA – some more than others. Highland Ambulance and Southern Berkshire Ambulance are two such organizations that share many characteristics with HCAA and have a similar operational model.

Importantly, the HCAA service area is strategically positioned with Highland immediately to the north and the Southern Berkshire intercept towns directly to the west. There are also a handful of other neighboring communities with no formal affiliation with any EMS service. HCAA might consider reaching out to other like-minded EMS organizations to investigation the opportunity and advisability of entering into a formal agreement to share resources or merge organizations. Benefits of a shared resource model include:

- Potential cost savings by sharing various administrative personnel costs, IT and financial management costs, bulk purchasing, insurance costs, etc.
- Potential for greater flexibility in staffing by sharing staff across a wider region.
- More consistent scheduling of staff, resulting in improved service delivery.
- Opportunity for improved in-house staff training.

Each of these alternatives come with disadvantages, as well. This report is, by no means, exhaustive and any movement away from the current organizational model should be undertaken with great care and only after careful consideration.

HCAA has done a good job in the past 2-3 years to identify operational and financial deficiencies and take action to remedy those shortcomings. Significant progress has been made in recent years to improve communication with each of the member towns – but more can and should be done to keep lines of communication and understanding open and productive.

We recommend continuing with the current organizational model, at least in the short term. We do not believe that dissolution of HCAA as a nonprofit entity is warranted at this point. We do, however, recommend outreach to each of the public and nonprofit EMS organizations in western Hampden and Hampshire Counties, as well as Berkshire County, to begin a discussion around opportunities for greater sharing of resources that could result in improved service, cost savings, or both. We believe that there is strength in numbers, and that by sharing ideas with and between other organizations and individuals who are dealing with many of the same challenges, sustainable solutions for future growth are achievable.

5 Next Steps

The HCAA should reach out to its municipal partners right away to schedule at least two public meetings in February to share this report, present its proposed FY2025 budget, gather feedback, and answer questions.

The organization should also contact Highland Ambulance, Southern Berkshire Ambulance, and perhaps other municipal and nonprofit EMS services to initiate dialogue about shared challenges and potential solutions.

Financial resources are available to support further study and implementation of shared resources projects. Best Practices and Efficiency & Regionalization grants are available through the State Community Compact program. HCAA should also reach out to area legislators to request an earmark in the State budget.

PVPC will be happy to help the HCAA Board and administration, if asked, as it continues to ensure its ability to provide this important service to hill town residents.