Arcata-Mad River Ambulance LLC

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June 28, 2024

Candy Stockton, M.D.
Health Officer, DHHS-Public Health
529 I Street
Eureka, CA 95501

Dear Dr. Stockton,
Following is the financial information requested in your letter of December 4, 2023 in support of our ambulance rate increase request for Zone 1. I chose to wait until calendar year 2023 information was finalized in order to show a 3 year period, and to adjust for a misallocation of expenses in 2022, and an overstatement of revenue in 2023 that was only recently corrected.

The focus of the rate adjustment is to increase EMT and paramedic wages to make sure they are in line with surrounding areas. The recent increase in City Ambulance rates, largely for the same purpose, puts additional pressure on wages here. We are fortunate to have a stable workforce, many of which have been with the company for over 10 years. We work hard to maintain that.

The proposed rates reflect an increase of 25% to the base and mileage rates. Due to the large percentage of our patients covered by Medi-Cal and Medicare, and the roughly 10% of patients with no coverage, the percentage increase has to be substantial to generate the necessary revenue.

The following information is included, items marked with an asterisk should be considered confidential.

- Consolidated P&L years 2021, 2022, and 2023*
- Rate schedule showing current and proposed rates
- Payroll table* showing 7.2% pay increase (expected implementation 10/1/24). A 2.8% increase took place in March of this year.
- Payer Mix* showing 2023 calls. Increased rates will only apply to a percentage of the Commercial Insurance and the VA categories.

I look forward to meeting to discuss this rate increase proposal, or any other aspect of the operations of the company.

Sincerely,

Douglas J. Boileau, Regional Director

AMRA, CA

Consolidated Statement of Operations and Comprehensive Income (Loss)

(Unaudited, Amounts in thousands)

	Year to date Dec-23	Year to date Dec-22	Year to date Dec-21
Revenue	$ 2,630	$ 2,621	$ 2,253
Operating Expenses:			
Employee wages, benefits and taxes	1,412	1,408	1,369
Maintenance, fuel and other direct expenses	122	140	112
Insurance expense	82	85	68
Other operating expenses	433	338	318
Depreciation and amortization	82	71	72
Acquisition, integration and other charges	-	-	-
Total operating expenses	2,131	2,042	1,939
Operating income	499	579	314
Interest expense, net	-	-	-
Management fee expense	97	111	116
Other income (loss), net	-	-	-
Net income (loss) before income taxes	402	468	198
Income tax (benefit) expense [1]	231	179	-
Net income (loss)	$ 171	$ 289	$ 198

[1] Certain tax provision items are recorded at the Parent company level

	Dec-23	Dec-22	Dec-21
Cost per Transport	$ 587.55	$ 586.99	$ 584.80
Growth Cost Per Transport YoY	0.1%	0.4%	32.5%

Rate Schedule

	Current	Oct-24
ALS/BLS Base Rate for all emergency responses	$ 2,650.00	$ 3,325.00
Advanced Life Support- Interfacility Transfer (IFT)	$ 2,650.00	$ 3,325.00
Advanced Life Support (ALS)-2 Base Rate	$ 3,000.00	$ 3,540.00
Basic Life Support (BLS) Non-Emergency Base Rate	$ 800.00	$ 1,100.00
Specialty Care Transport (SCT/CCT)**	$ 3,800.00	$ 4,475.00
Mileage (Per Mile)	$ 40.00	$ 50.00
Oxygen	$ 100.00	$ 100.00
Night Call (1900-0700)	$ 100.00	$ 100.00
Standby time per 15 minutes	$ 80.00	$ 85.00
Cardiac Monitor (incl. in base except except Medical)	$ 50.00	$ 50.00
Isolette	$ 100.00	$ 100.00
Spinal Mobilization	$ 200.00	$ 200.00
Extraction/ Off Road Rescue	$ 200.00	$ 200.00
Emergency Response Fee without transport	$ 250.00	$ 300.00
Medical Disposables/Medications	at cost	at cost

Payor Mix and Flow Through Calculations

Transports (Trips)													
Category	**Jan-23**	**Feb-23**	**Mar-23**	**Apr-23**	**May-23**	**Jun-23**	**Jul-23**	**Aug-23**	**Sep-23**	**Oct-23**	**Nov-23**	**Dec-23**	**2023 YTD**
Commercial - Contracted	62	52	39	27	53	59	44	44	46	7	8	6	447
Commercial - Non Contracted	21	27	19	18	18	21	20	20	26	19	24	21	254
Medicare	143	108	135	141	139	136	168	159	160	165	164	154	1,772
Medicaid	84	69	102	105	100	99	101	76	85	130	93	131	1,175
Facility	4	1	2	2	1	1	2	1	4	2	1	1	22
Private	28	36	35	38	28	28	31	35	36	47	40	29	411
VA	3	5	4	6	5	7	5	1	2	6	1	2	47
Total Transports (Trips)	**345**	**298**	**336**	**337**	**344**	**351**	**371**	**336**	**359**	**376**	**331**	**344**	**4,128**
	345	298	336	337	344	351	371	336	359	376	331	344	4,128
	-	-	-	-	-	-	-	-	-	-	-	-	-