

Bill Bray

From: Jack Layne
Sent: Friday, December 21, 2018 12:22 PM
To: Joe Zanga
Subject: Fw: Evaluation of South River EMS - Billing Revenue and South River EMS Write Off's
Attachments: SR EMS_ REV_VS_WRITE_OFFS_EVALUATION_DEC_2018_SIGNED_COPY.pdf; South River EMS_Inc_ Evaluation Revenue vs Write Offs DEC_2018_rev_2.pdf

Sent from my LG X venture, an AT&T 4G LTE smartphone

----- Original message-----

From: Michael Ayers
Date: Fri, Dec 21, 2018 12:54 AM
To: Jack Layne;
Cc: Patrick Geraldo;
Subject: Fw: Evaluation of South River EMS - Billing Revenue and South River EMS Write Off's

Good Morning Mr. Layne:

Attached is numbers of revenue brought in by various insurance companies from South River EMS, Inc - Ambulance billing for a period of (9) years CY2009 thru CY2018 based on our third party billing company. In addition, there are numbers as to the various non collected billable EMS calls which is considered lost revenue.

If you have any specific questions with regards to our EMS billing practices and or billing polices; hence, I can reach out to our billing company to retrieve the answers to any of your questions you or the Borough Council may have.

Best Regards,

MICHAEL AYERS - Executive Director
South River, Inc.

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----- Forwarded Message -----

From: Michael Ayers <mayers233@yahoo.com>
To: Matthew Parks <mparks@southriverrescue.com>
Cc: Patrick Geraldo <pgeraldo@southriverrescue.com>; Andy Cogswell <acogswell@southriverrescue.com>; Ashli Venokur <avenokur@southriverrescue.com>; Edina Szollosi <eszollosi@southriverrescue.com>; Kyle Herzig <kherzig@southriverrescue.com>; William Synek <wsynek@southriverrescue.com>
Sent: Friday, December 21, 2018, 12:43:57 AM EST
Subject: Evaluation of South River EMS - Billing Revenue and South River EMS Write Off's

To: Matthew Park, President - South River EMS, Inc.

C: South River EMS, Inc. - Board of Directors

Patrick Geraldo, Captain – Rescue Squad – Department Head

Andy Cogswell, President – SRRS, Inc.

Jack Layne, Borough Administrator – South River Borough

From: Michael Ayers, Executive Director - South River EMS, Inc.

Date: 20-DEC-2018

Subject: **Evaluation of South River EMS - Billing Revenue and South River EMS Write Off's**

Attached are two (2) copies of report of revenue and write offs for South River EMS, Inc.

One copy is scanned and signed by hand and the other copy is with an e-signature with yellow highlighted areas.

There was some confusion in the past on how the collection of EMS revenue and (non-optional) losses of revenue; are recorded and calculated due to various State and Federal billing laws; In addition, to the EMS providers specific agreements and / or contracts.

Any detailed questions in regards to specific billing laws and or specific billing polices, I would refer them to be directed to the billing company by one of the EMS Board members or myself. to Revenue Guard. This report is a general overview of data collected on reports / spread sheets received from Revenue Guard billing company and other facts pertaining to our specific EMS operations.

Best Regards,

MICHAEL AYERS -Executive Director
South River EMS, Inc.

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SOUTH RIVER EMS, INC.

P.O. BOX 660 • SOUTH RIVER, NEW JERSEY 08882

To: Matthew Park, President - South River EMS, Inc.

C: South River EMS, Inc. - Board of Directors

Patrick Geraldo, Captain – Rescue Squad – Department Head

Andy Cogswell, President – SRRS, Inc.

Jack Layne, Borough Administrator – South River Borough

From: Michael Ayers, Executive Director - South River EMS, Inc.

Date: 20-DEC-2018

Subject: **Evaluation of South River EMS Billing Revenue and South River EMS Write Off's**

1. I recently had several conversations over the last several weeks with our EMS billing company, Revenue Guard and; as a result, I had Revenue Guard generate several excel reports as to our EMS Revenue from the Insurance companies as well as South River EMS, Inc writes offs (non-collected money) from EMS ambulance services.
2. After reviewing various reports and discussing this with the Revenue Guard representatives, I have focused mostly on the total billable EMS calls revenue only, as wells as the write offs from July of 2009 thru October of 2019; which is a nine (9) year period and also the total duration of South River EMS, Inc billing for Ambulance services within the Borough of South River.
3. There are two (2) categories of "write offs" in this report; first, there is the insurance write offs which the EMS providers have to comply with the State and Federal billing laws pertaining to certain insurance accounts / programs, such as Medicaid policies etc. The second type of write off is contractual. South River EMS, Inc by State and Federal law, has to bill everyone for Ambulance Services however, the EMS providers have the option whether to balance bill or collect when allowed by law; to balance bill for Ambulance Services, for the remaining balance of the bill, which the insurance companies does not cover the costs. For example, patients with Medicare insurance the EMS providers can only balance bill the co-pay for the patients with Medicare Insurance. South River EMS, Inc has contracts and or agreements with the South River Rescue Squad, Inc and the Borough of South River, which does not allow South EMS, Inc. to balance bill any South River Borough residents. This is the second category of "write off" is for South River Borough residents ONLY. So both the insurance "write offs" and the contractual "write offs" are by either law or by contract and South River EMS has no choice, but to write off both of these categories; which means revenue lost or not collected. The write off numbers will be the same for any EMS agency that serves South River Borough with a similar contract of not balance billing South River residents.



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4. South River EMS, Inc was able to absorb some of the write offs losses for the following reasons.
 - a. Staffing Mechanism – agreements and ordinances allowing for SRRS, Inc volunteers members to staff the South River, EMS, Inc. Ambulances as total volunteer crews and or hybrid volunteer / paid crews saving thousands of dollars in payroll per year in over head payroll costs. Min. or no payroll costs for civic events or specialized EMS / Rescue services.
 - b. South River Rescue Squad, Inc – providing fund drive thru annual fund drive to offset the lost revenue of EMS due to write offs and also funding most of the specialized vehicles and supplemental specialized services the SRRS, Inc conducts day to day operations.
 - c. Non – Union salary, wages and contracts, and no additional costs in pensions, and health insurance plans, 401K plans; which the Government entities or larger companies of more than (50) employees would have to provide or supply for their employees.
 - d. Assistance from Borough of South River – Department of Rescue Squad – funded half of the fuel, half of the vehicle maintenance and, half of Ambulance vehicle replacement program.
 - e. Various insurance policies costs are split between the South River EMS, Inc. and SRRS, Inc and Borough of South River.
 - f. EMS Dispatcher costs absorbed by the Borough of South River and also through the telephone 9-1-1 taxes.
 - g. High costs of EMT training are at a minimum cost for volunteer staff, through the NJSFAC and N.J. EMT training fund.
5. Review and break down of contractual “write offs” for South River Borough residents only. This relates to a direct out of pocket savings to the residents; saving costs from not balance billing the South River residents for Ambulance EMS services CY2019 thru CY2018.
 - a. 2009 \$12,000
 - b. 2010 \$146,820.39
 - c. 2011 \$201,010.31
 - d. 2012 \$225,490.05
 - e. 2013 \$268,069.77
 - f. 2014 \$201,542.87
 - g. 2015 \$156,614.74
 - h. 2016 \$291,880.55
 - i. 2017 \$291,880.55
 - j. 2018 \$224,980.30

Total: \$1,890,946.02 million dollars, out of pocket direct savings to the residents of South River over (9) years.



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6. The review of the insurance "write offs" for billable ambulance EMS calls for South River EMS, Inc from CY2009 thru CY2018 is the following:
 - a. Insurance "write offs" - \$3,725,188.83
7. Both the insurance "write offs" and the South River residents "write offs" combined:
 - a. South River Patient write offs - \$1,890,946.02
 - b. Insurance write offs - \$ 3,725,188.83

Total write offs - \$5,616,134.85 lost revenue for EMS Services in a (9) year period.
8. Total billable EMS calls from July of 2009 thru October 2018:
 - a. 14,082 - Billable EMS Ambulance calls ONLY, not the total amount of calls for service.
9. Total charges for EMS Ambulance calls from July of 2009 thru October 2018:
 - a. \$8,679,798.52
10. Total revenue from the insurance companies ONLY for EMS Ambulance calls from July of 2009 thru October 2018:
 - a. \$ 8,679,798.52 (All charges for EMS ambulance billing)
\$ 5,616,134.85 (All write offs)

Total: \$ 3,725,188.83 {For a (9) year period.}
11. This is an average of \$413,909.87 per year of EMS revenue from insurance companies.
12. EMS systems costs on an average \$100 dollar per hour, in operating costs; to operate and run an EMS agency, a career staffed EMS Department, with one (1) BLS Ambulance 24/7 – 365 days a year which is \$876,000 per year. Double that figure for (2) BLS Ambulances fully staffed 24/7 – 365 which is \$1,752,000 per year. This does not include any Specialized Rescue Services, Crash Truck, Ice Rescue, Marine Services Units, and /or Specialized Rehab Trailers, extra units for civic events, etc.

Respectfully Submitted,

MICHAEL AYERS, Executive Director

Date



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To: Matthew Park, President - South River EMS, Inc.

C: South River EMS, Inc. - Board of Directors

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Respectfully Submitted,

Michael Ayers

Digitally signed by Michael Ayers
DN: cn=Michael Ayers, o=South River EMS, ou=South River EMS, email=ayers131@yahoo.com, c=US
Date: 2018.12.20 11:57:10 -0500

MICHAEL AYERS, Executive Director

Date