



# Medicare Ground Ambulance Data Collection Instrument: Allocating Expenses and Revenue

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July 21, 2022

# Overview

- Today's session covers approaches to allocate expenses and revenue for the purposes of reporting information to the Medicare Ground Ambulance Data Collection System (GADCS).
- While everyone is welcome to listen in and participate, this session will be most relevant to ground ambulance organizations that:
  - Are fire, police, and other public safety department-based
  - Are operated by municipal governments
  - Are Medicare providers of services (e.g., hospitals)
  - Provide other services (e.g., non-medical transport, community paramedicine, air ambulance, other medical services, etc.)
  - Are operated by a broader “parent organization” billing under multiple National Provider IDs (NPIs)

# Agenda

1. Allocation basics
2. General allocation steps
3. Section-by-section suggestions
4. Recap and resources

# Allocation Basics

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# GADCS Scope

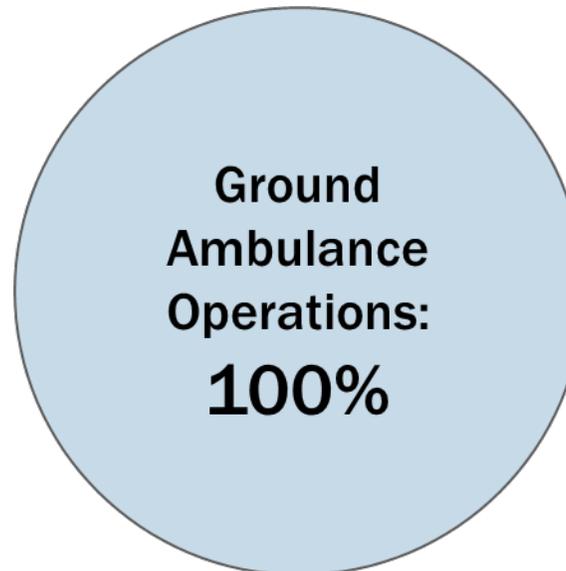
The scope of GADCS is limited to *ground ambulance* costs and revenue.

Expenses/revenue for organizations *without* other functions



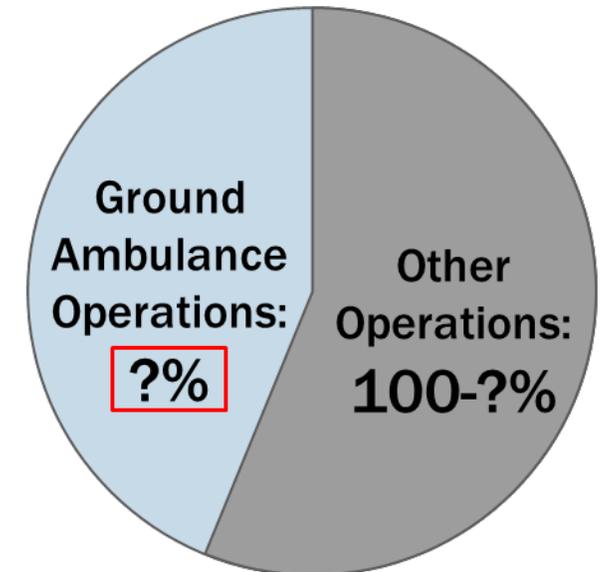
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GADCS Scope



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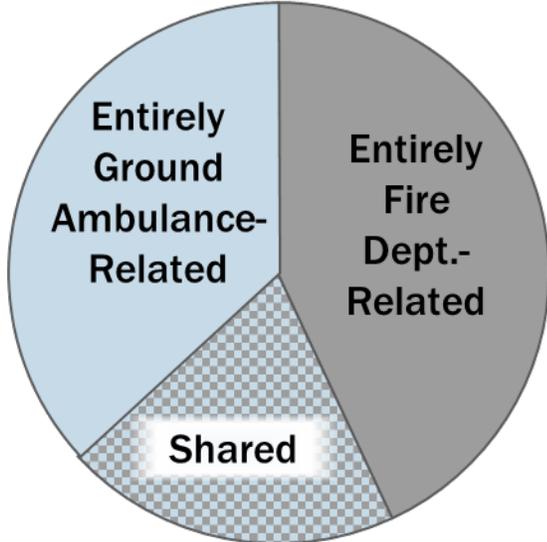
Expenses/revenue for organizations *with* other functions (e.g., a fire dept.)



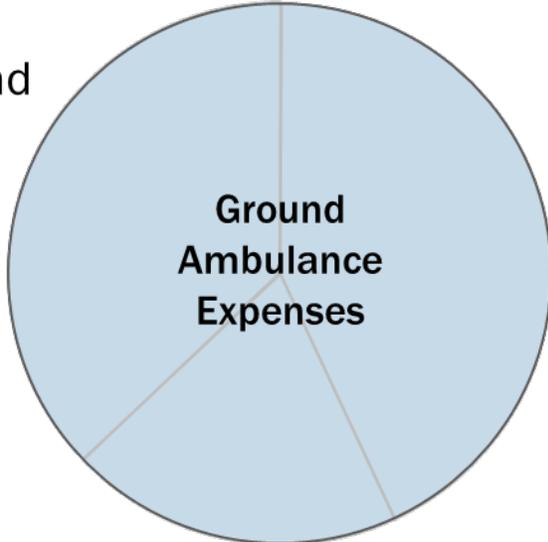
- We refer to divvying up expenses/revenue as “allocation”
- The ground ambulance share (“?”) is called the “allocation factor”

# Organizations Allocating Incorrectly Will Report Inaccurate Information

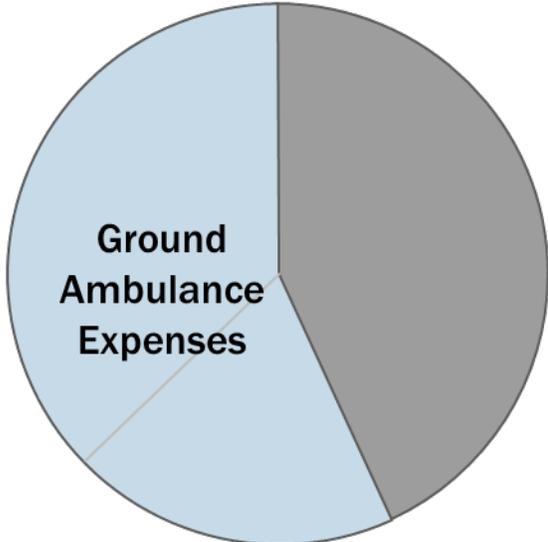
For an organization with this breakdown of expenses:



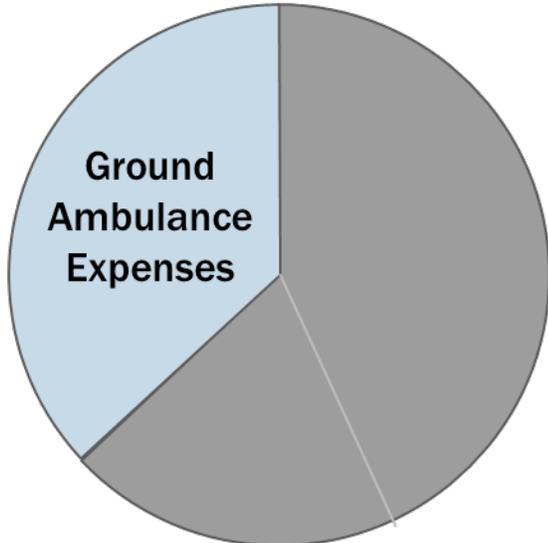
Reporting total expenses or all shared expenses as part of ground ambulance expenses *biases reported expenses upward*



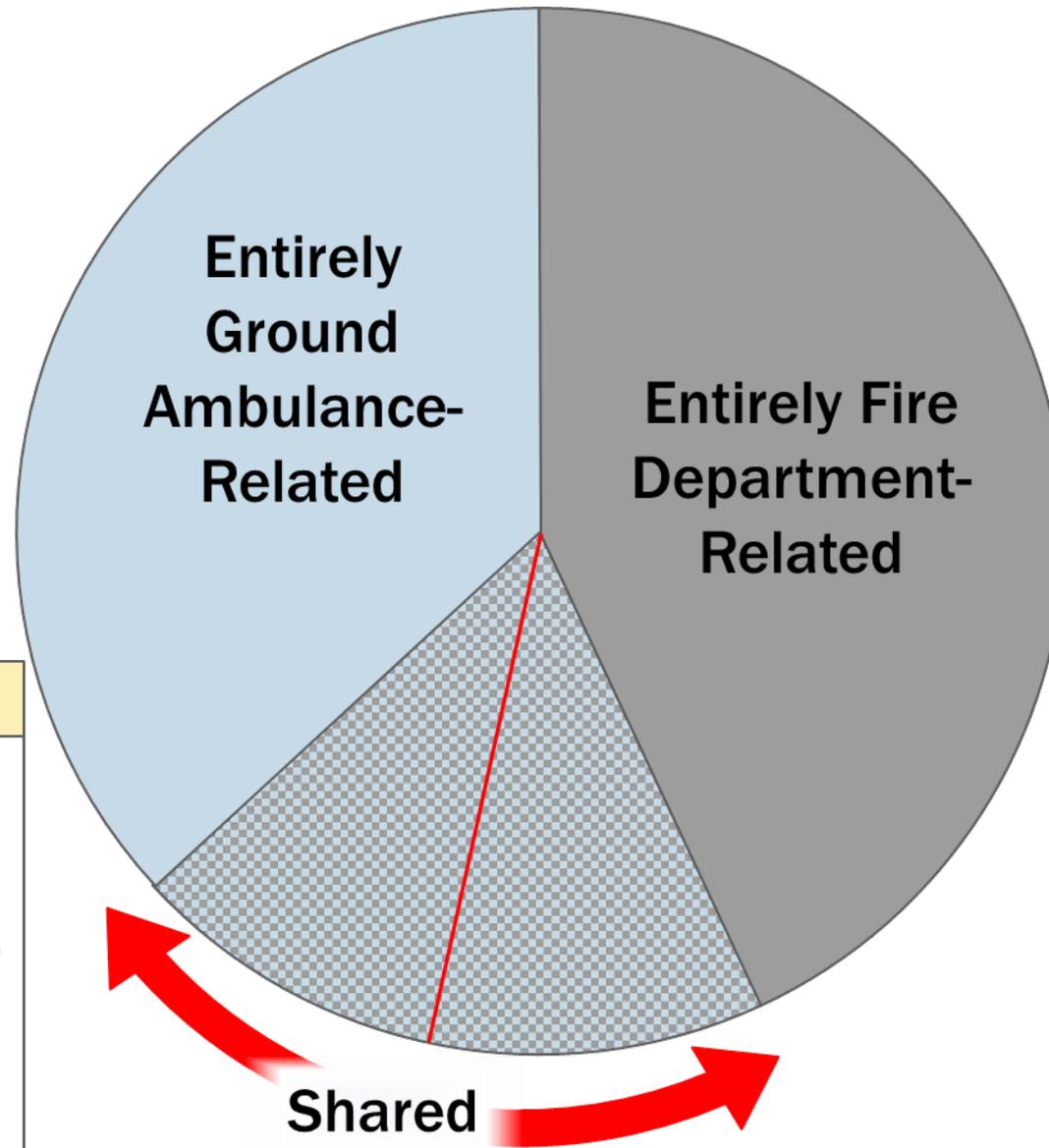
OR



Excluding shared expenses from reported ground ambulance expenses *biases reported amounts downward*



# Allocating Expenses and Revenue: Conceptually



## Ground Ambulance Expense Examples

- Ground ambulances
- Medication and medical supplies
- Paramedics without firefighter role
- Billing

## Shared Expense Examples

- Dispatch
- Fire trucks used in medical responses
- General administration like HR, finance, legal, and office management
- Facilities like garages with fire & ambulance use

## Fire Expense Example

- Fire training
- Asst. fire chief without ambulance duties
- Fire/rescue equipment not used in medical responses

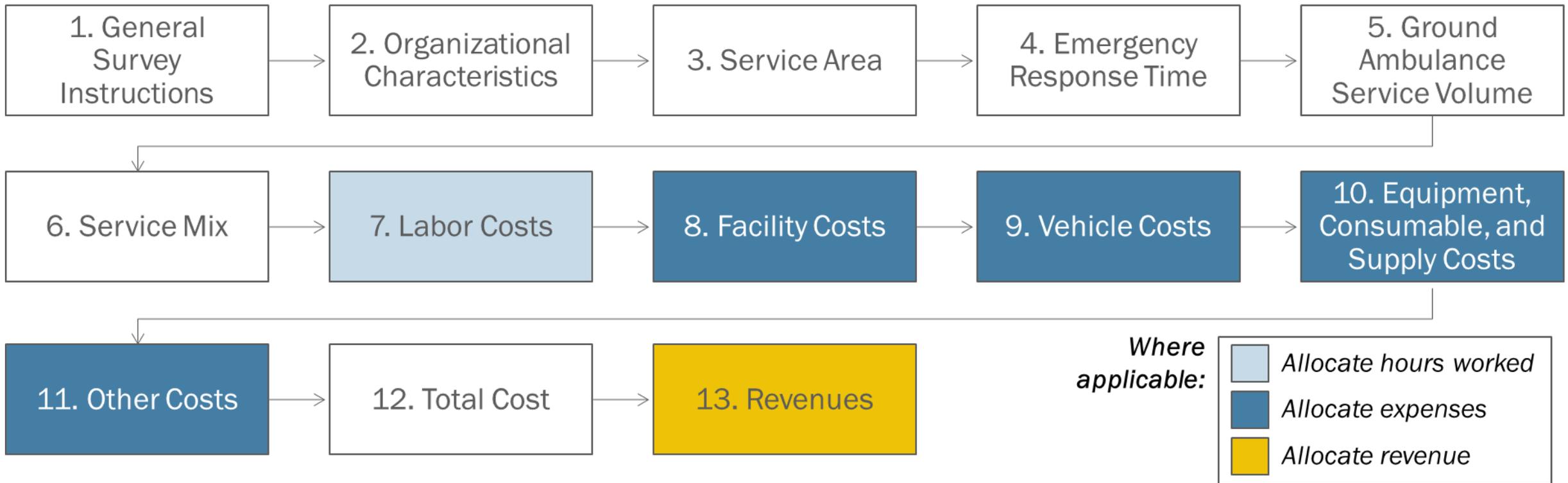
# General Allocation Steps

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# Allocating Expenses and Revenue: Practical Steps

- 1** Review GADCS questions and instructions
- 2** Identify which expense/revenue amounts must be allocated
- 3** Choose and apply data-driven allocation approaches
- 4** Decide how to report the information via the GADCS

# ① Review GADCS questions and instructions



- You can find the complete instrument instructions and questions [here](#)
- Your organization may not need to allocate every response in these sections

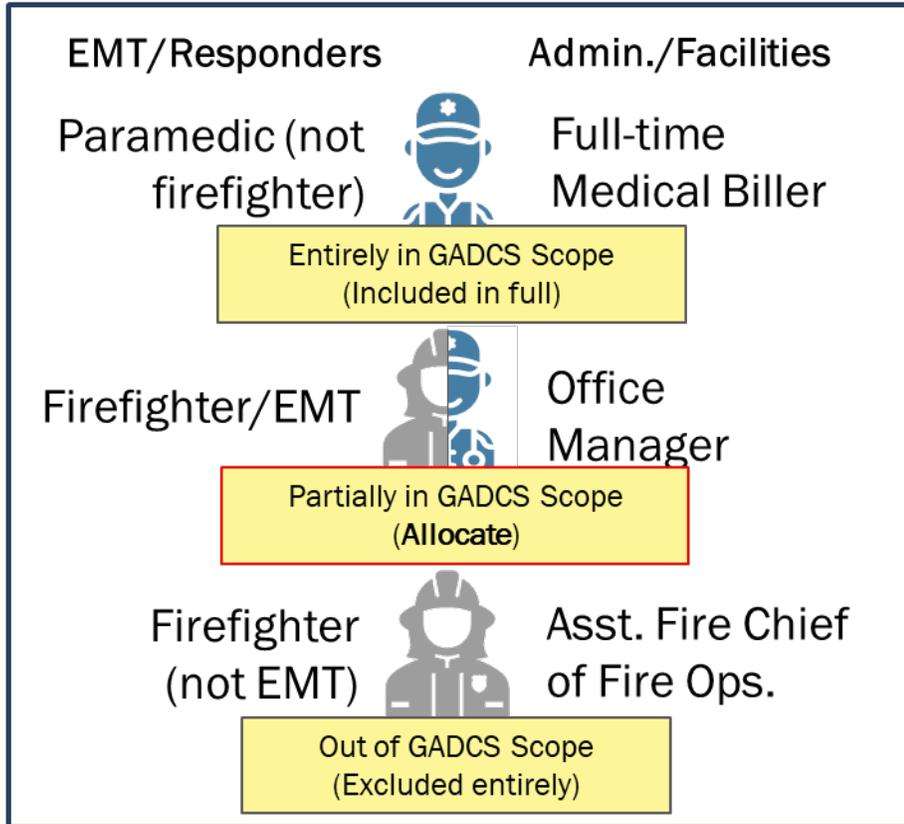
# 2

## Identify which amounts must be allocated

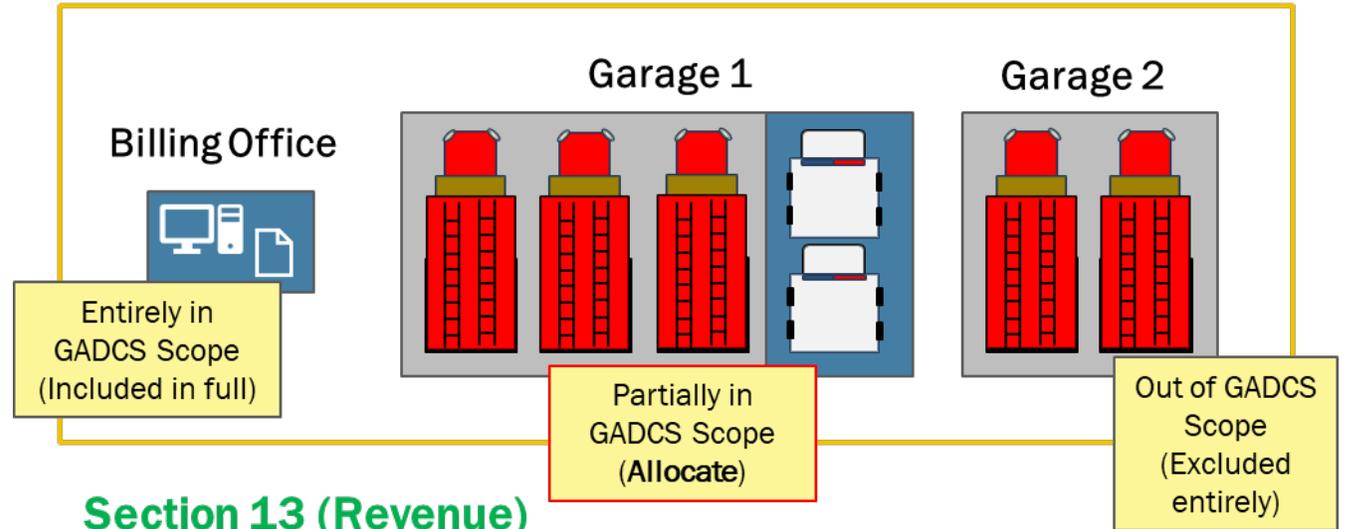
### Illustrative Examples:

### Government Fire Department-Based Ground Ambulance Organization

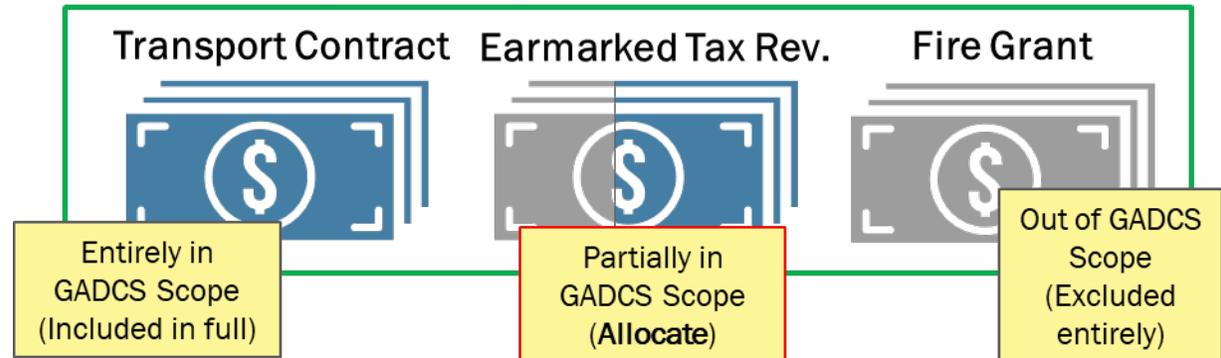
#### Section 7 (Labor Cost) Hours Worked



#### Section 8 (Facilities) Annual Costs of Ownership

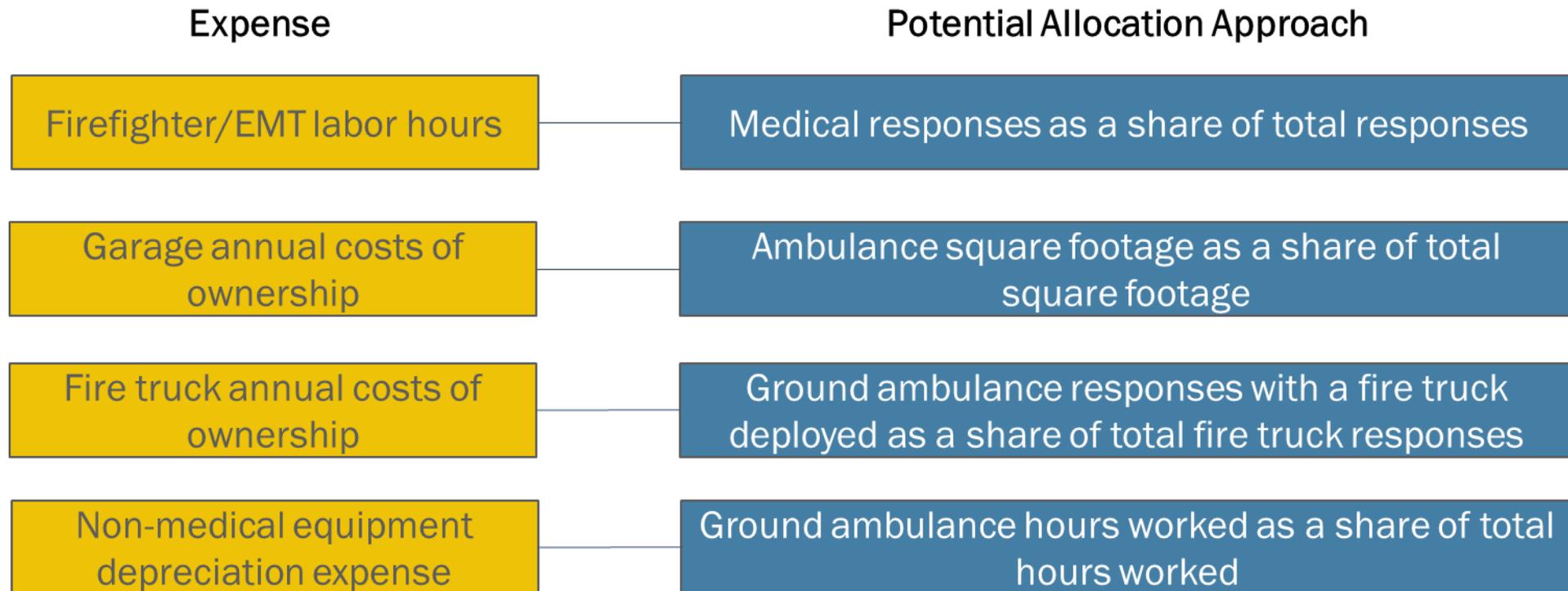


#### Section 13 (Revenue)



### 3 Choose and apply data-driven allocation approaches

The GADCS ensures flexibility for organizations to choose their allocation method which can vary by Section and Question.

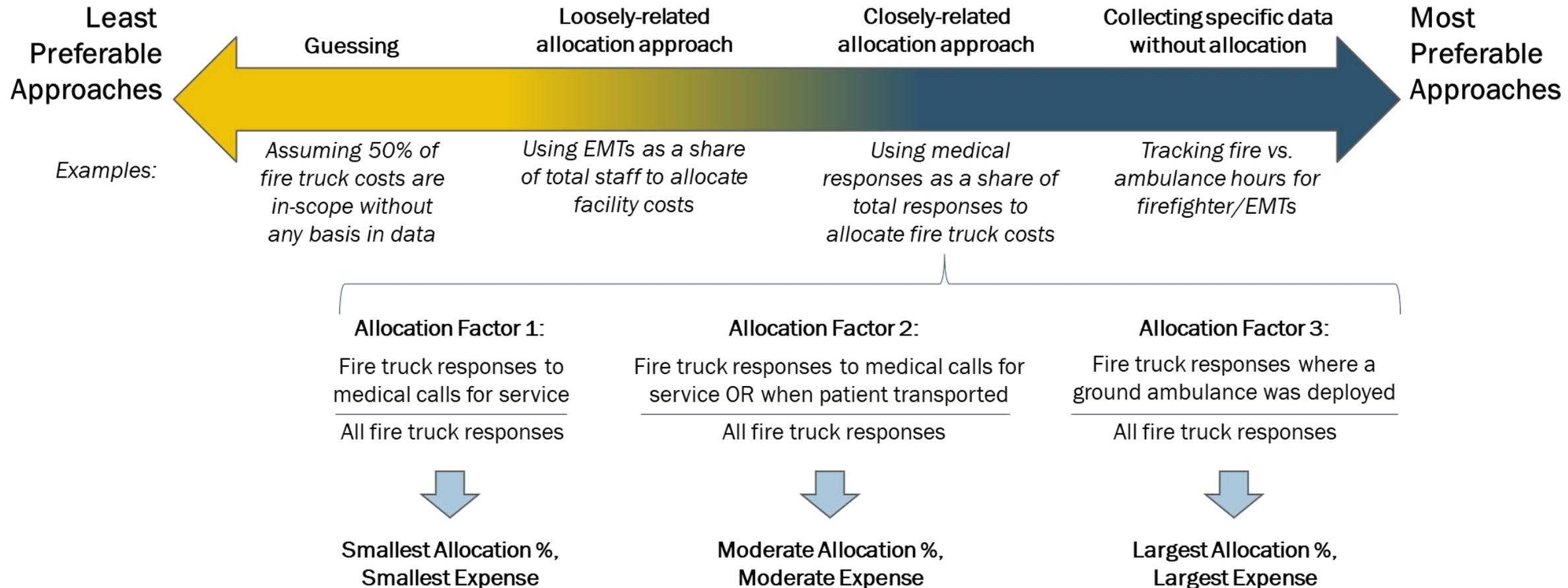


# Choosing specific allocation approaches

*There are several approaches to allocation*

- Some approaches are generally preferable to others. Consider allocation approaches that are:
  - Based on data rather than a guess
  - Explainable, if someone were to ask you how you developed your specific approach
  - As closely linked to the time, expense, or revenue to be allocated as possible
- Collecting data in a way that directly aligns with the GADCS instructions is always preferable to allocation.
  - Some organizations changed the way they record data prior to the start of data collection
  - Others may change mid-stream and can allocate a partial year

# Consider alternatives and GADCS scope before locking down your approach



# 4

## Decide how to report the information via the GADCS

You can use the easier of two options to report information via the GADCS.

### OPTION 1:

Report total amount and ground ambulance share separately

**Total Expenses:**  
\$100,000

AND

**% Ground Ambulance:**  
70%



*GADCS calculates  $\$100,000 * 70\% =$   
**\$70,000***

### OPTION 2:

Calculate a ground ambulance amount yourself:  
*(Total Expense \* % related to ground ambulance operations)*

**Ground Ambulance Expense:**  
\$70,000

AND

**% Ground Ambulance:**  
100%



*GADCS uses the expense as provided:  
**\$70,000***

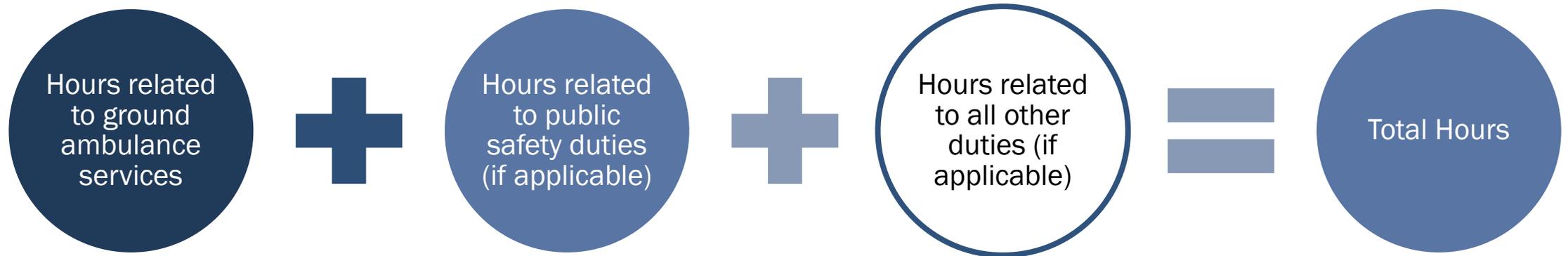
Use Option 1 if you don't have a preference.

# GADCS Instrument Section-by-section Suggestions

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## Section 7: Labor Allocation

- For each staff category, organizations need to separate hours for staff into the following categories:



- Dividing hours requires using some type of allocation method.

## Section 7 Example

- CMS FD is a fire department-based ground ambulance organization employing the following EMS/Response staff:
  - 2 paramedics who only deploy on the ambulance
  - 2 firefighters who are not EMTs but deploy on the fire truck for some responses where an ambulance is also deployed
  - 2 firefighter/EMT-Basics riding on the ambulance *or* firetruck
    - **Potential allocation factor 1:** Share of responses involving these staff where medical care is provided
    - **Potential allocation factor 2:** Share of responses involving these staff where the ride on the ambulance rather than fire truck
    - **Potential allocation factor 3:** Ratio of direct ambulance (labor, ambulance, equipment) expenses to total expenses

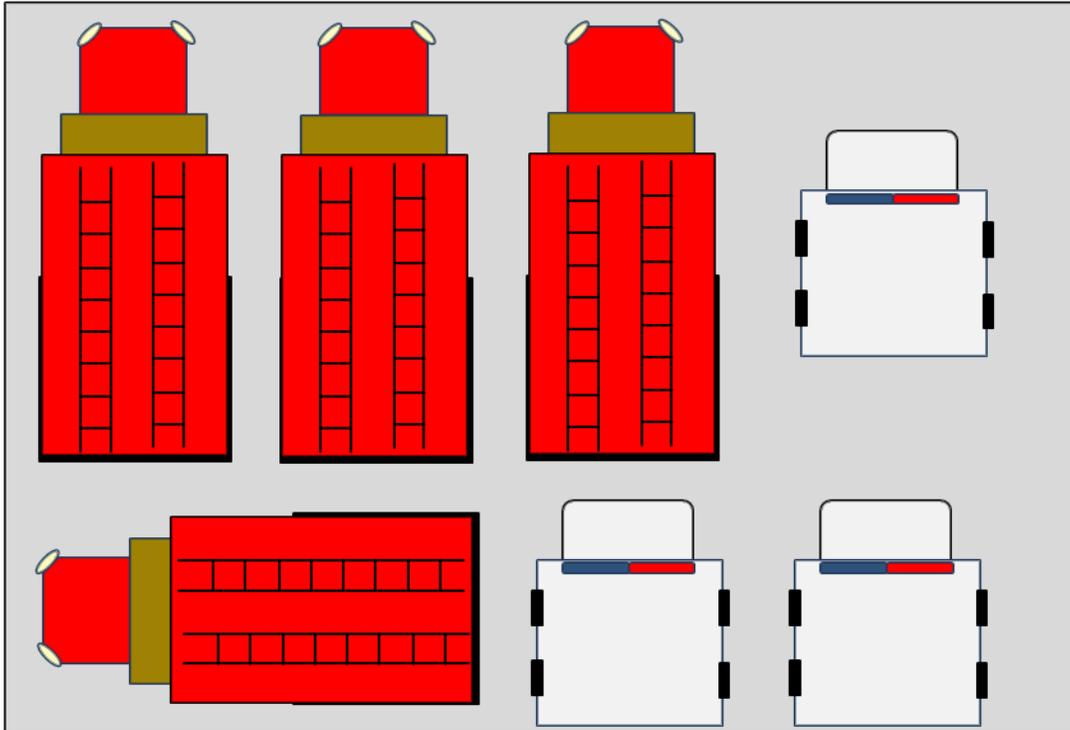
# Section 7: Reporting Compensation and Hours Worked

*Assume the organization arrives at an allocation factor of 40% for the two firefighter/EMTs*

Staff Category	Total hours worked annually for paid EMT/response staff	Total hours worked annually related to ground ambulance operations	Total hours worked annually related to fire, police, or other public safety operations	Hours worked annually related to all other responsibilities
Paramedic, <u>without</u> role supporting fire, police, and/or other public safety operations	4,160 total hours worked (2 staff at 2,080 hours each)	4,160 hours related to ground ambulance	N/A	0 hours related to other responsibilities
EMT – Basic, <u>with</u> role supporting fire, police, and/or other public safety operations	4,160 total hours worked (2 staff at 2,080 hours each)	4,160 total hours worked * 40% ambulance responsibilities = 1,664 hours	4,160 total hours worked * 60% fire responsibilities = 2,496 hours	0 hours related to other responsibilities

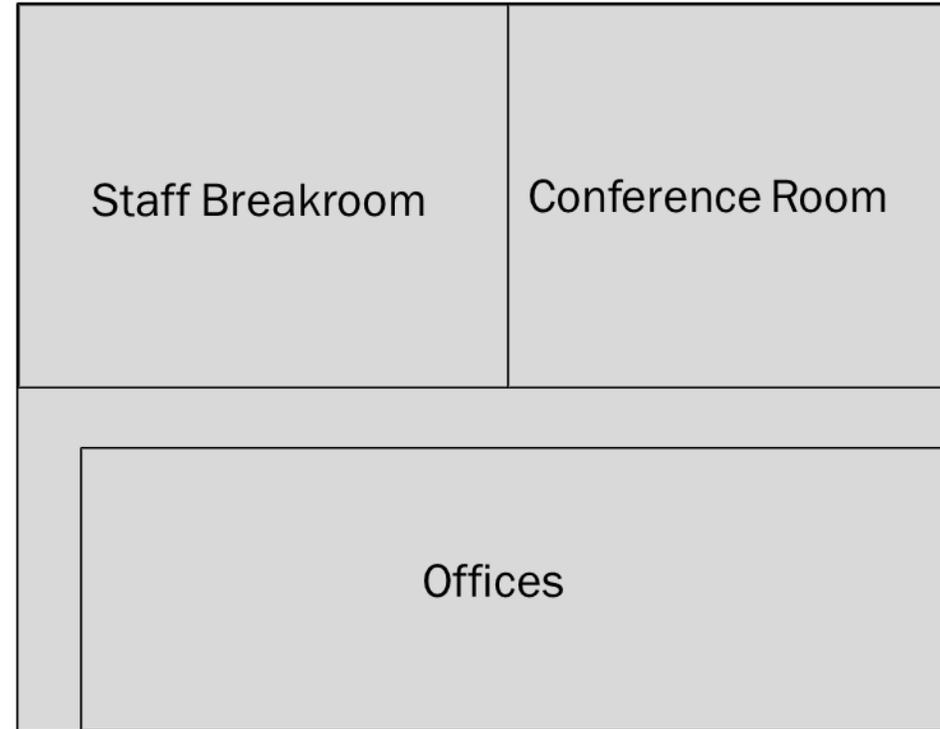
# Section 8.1, Question 3: Fire Department Example

Facility 1: Garage



**Space allocation method:** In this facility, ambulance operations account for ~25% of space and fire operations account for ~75% of space

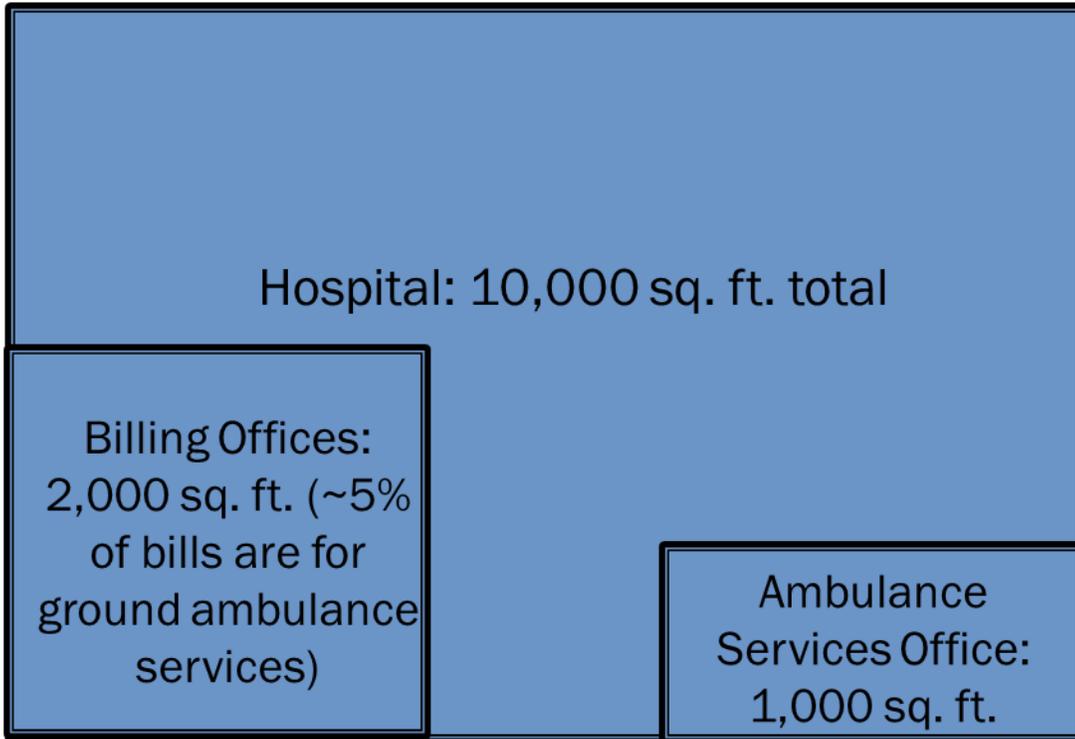
Facility 2: Administrative Building



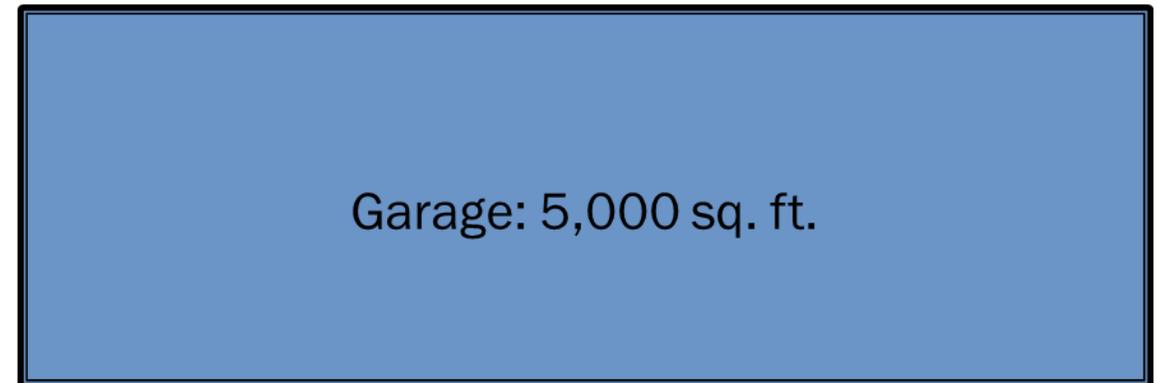
**Response allocation method:** All rooms in this building are used for both ambulance and fire operations. The organization reports 70% of the space is ground ambulance related because ~70% of responses were medical (vs. ~30% fire).

# Section 8.1, Question 3: Hospital Example

Facility 1: Hospital



Facility 2: Garage



The ambulances for this organization are kept in a separate garage that does not share any space with non-ground ambulance services. They list the facility as 100% ground ambulance related.

In this facility, ambulance operations account for 1,100 sq. ft. of the hospital ( $1,000 + 2,000 * 0.05 = 1,100$ ) and account for **11%** of the total hospital square footage

# Section 9: Vehicles

- Section 9, Vehicles, has two allocation questions:
  - Section 9.2, Other Vehicle Costs
    - This section asks organizations to report the share of each vehicle's miles travelled related to ground ambulance services
  - Section 9.3, Other Costs Associated with Vehicles
    - This section asks organizations to report the share of maintenance and fuel attributable to the following:
      - » Ground Ambulances: (Enter Percent)
      - » Fire Trucks: (Enter Percent)
      - » Land Rescue Vehicles: (Enter Percent)
      - » Water Rescue Vehicles: (Enter Percent)
      - » Other Vehicles responding to emergencies (but not designed to transport patients): (Enter Percent)
      - » Other Vehicles: (Enter Percent)
    - Organizations can use any of the methods outlined above to calculate this percentage, or use something such as miles travelled related to ground ambulance services

# Section 10: Details on Categories and Allocation

Reporting Category	Examples	Allocation Notes
Capital Medical Equipment	Defibrillators, ventilators, monitors	100% ground ambulance-related for most public safety organizations
Medications	Epinephrine, morphine, naloxone	100% ground ambulance-related for most public safety organizations
Other medical equipment, supplies, and consumables	Bandages, gauze, blood pressure cuffs	100% ground ambulance-related for most public safety organizations
Capital non-medical equipment	Computers, photocopier	If shared by ground ambulance and public safety operations, report total cost with an estimated percentage related to ground ambulance services
Uniforms	Shirts, pants	If ground ambulance staff has separate uniforms, can report only those costs and list 100%. Otherwise, allocation is required
Non-medical supplies	Paper, paperclips, coffee supplies	Same as instructions for “capital non-medical equipment”

## Section 10.1, Question 1 Example

**Background:** This hospital-based provider organization purchased two pieces of capital medical equipment used by its ground ambulance operations: a power lift and a transport ventilator. The power lift costs \$6,000 and is used exclusively by ground ambulance operations. The transport ventilator costs \$5,000 and is used by the hospital for transports within the hospital but is sometimes signed out by the ground ambulance organization for interfacility transports. They estimate that 90% of the time it is used for transports within the hospital and 10% for interfacility transports.

### Calculations

Option 1:  $\$6,000 + \$5,000 \times 0.10 = \$6,500$

Option 2:  $\$6,000 + \$5,000 = \$11,000$

$\$6,500 / \$11,000 = 0.59$

Option	Reporting Category	Total Cost	% Related to Ground Ambulance Operations
Option 1	Capital medical equipment	\$6,500	100%
Option 2	Capital medical equipment	\$11,000	59%

## Section 10: Alternative Acceptable Allocation Methods

Staffing	Reporting Category	Total Cost	% Related to Ground Ambulance Operations	Allocation Method
10 EMTs, 10 firefighters	Uniforms, Option 1	\$300	100%	All costs assumed to be related for the 10 EMTs
10 EMTs, 10 firefighters	Uniforms, Option 2	\$600	50%	Allocated using the share of EMT staff to firefighters
5 EMTs, 10 EMT/firefighters, 5 firefighters, and 80% of responses ground ambulance	Uniforms	\$390	100%	100% for the five EMTs (5@ \$30 = \$150) and 80% for the ten EMT/firefighters (10@ \$30 = \$300, and 80% of \$300 is \$240). The reported \$390 is \$150+\$240.

## Section 11, Question 4: Example Response

**Background:** This police-based organization noted that they had the expenses listed below. This organization pays separate annual dues to an ambulance (\$30) and law enforcement (\$60) professional organization. They hosted one meeting to discuss a new ambulance policy that was attended by only ground ambulance organization staff costing \$3,000. They held a staff appreciation event for their whole organization that cost \$1,000. Their percentage of responses are 75% police-related and 25% ground ambulance-related.

### Event/meeting costs calculations:

$\$3,000 + (\$1,000 * 0.25) = \$3,250$  total cost related to ground ambulance

$\$3,000 + \$1,000 = \$4,000$  total cost of events

$\$3,250 / \$4,000 = 0.81$  (**81%**) costs attributable to ground ambulance services

Category	Total Expense	What % of Expense is Attributable to Ground Ambulance Services?
Organization dues, subscriptions	\$30	100%
Event / meeting costs (including meals)	\$4,000	81%

## Section 13, Question 5: Example Response

**Background:** This hospital-based ambulance organization reported receiving revenue from the four sources listed below. They received a \$10,000 state grant specifically for a pilot program to deliver ground ambulance services. They received charitable donations, with 20% earmarked for ground ambulance-related services. The hospital has a contract with a local nursing home and its accounting department attributes \$20,000 of this revenue to ground ambulance services.

Category	Total Revenue	What % of Revenue is Attributable to Ground Ambulance Services?
Special-purpose grants (generally state)	\$10,000	100%
Charitable donations	\$2,000	20%
Contracts from facilities (e.g., hospitals, nursing homes, prisons, businesses)	\$20,000	100%

# Question and Answer Session

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