



UTAH DEPARTMENT OF PUBLIC SAFETY

# Bureau of EMS

Financial Reporting Guide Training



# Training Objectives:

- **Why are we doing this training?**
- **To understand the State Requirements for FRG's**
- **To understand the FRG Use and purpose**
- **To understand the need for accurate data.**
- **To understand the timing for submission.**
- **To understand the challenges in reporting.**
- **To understand allocations.**
- **Common mistakes and concerns.**
- **What to expect going forward.**

# Why are we doing this training?

- **2024 OLAG (Office of Legislative Auditor General) Audit**
- **2014 and 2024 Audit found weakness in data quality.**
- **Audit suggested Annual statewide FRG Training**

## RECOMMENDATION 2.2

The Bureau of Emergency Medical Services should ensure that all emergency medical services agency directors receive training annually on fiscal reporting guides. This training should address potential problems with allocating costs between fire departments and emergency medical services in jurisdictions that have both.

# State Requirements for Fiscal Reporting Guides

## **26-37a-104 (2015 SB 172)**

- (5) (a) For each state fiscal year, the division shall calculate total transports using data from the Emergency Medical System as follows:
  - (i) for state fiscal year 2016, the division shall use ambulance service provider transports during the 2014 calendar year; and
  - (ii) for a fiscal year after 2016, the division shall use ambulance service provider transports during the calendar year ending 18 months before the end of the fiscal year.
- (b) If an ambulance service provider fails to submit transport information to the Emergency Medical System, the division may audit the ambulance service provider to determine the ambulance service provider's transports for a given fiscal year.

# State Requirements for Fiscal Reporting Guides

## **R911-8. Emergency Medical Services Ground Ambulance Rates and Charges.**

### **R911-8-200. Ground Ambulance Transportation Revenues, Rates, and Charges.**

- (15) A licensed ground ambulance provider shall submit a fiscal report in accordance with the instructions, guidelines, and review criteria as specified by the department.(a) A fiscal report shall be submitted within six months of the end of their fiscal year.(b) The department shall provide guidance and a template for a fiscal report. Guidance will be posted on the department's website.(c) The department shall provide a summary of fiscal reports to the EMS Committee before adjusting a maximum base rate for a licensed ground ambulance provider.
- (16) The department may review a licensed ground ambulance provider's fiscal report for compliance. The department may perform financial audits to ensure compliance to reporting requirements.
- 17) Each licensed ground ambulance provider shall submit a written total number of billed patient transports for each calendar year to the department for calculating Medicaid assessments.(a) A written patient transport number shall be submitted within 90 days after the end of the calendar year.(b) The submission shall include a written justification when a patient transport number is not in agreement with patient care data submitted to the department pursuant to Rule R911-7. A written justification shall include a description of each data reporting error and a plan to correct future data submission.(c) Any submitted patient transport number not in agreement with patient care report data may be evaluated, corrected, or audited by the department.



# Fiscal Reporting Guide Uses



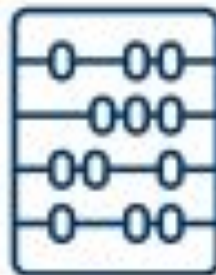
Statewide maximum rates set by BEMS are based in part on financial data.

BEMS determines eligibility for certain state grants based on financial data.



BEMS must ensure every EMS agency has an income less than 10% of gross revenue during the rate-setting process.

BEMS verifies EMS agencies are financially viable during the licensing process. EMS agencies, some of which are privately operated, can go out of business, potentially leaving citizens without access to EMS.



BEMS submits FRG data to the Utah Department of Health and Human Services to assist in Medicaid assessment calculations.

# Fiscal Reporting Guide Need for Accuracy

- Accurate Data is important to calculate a proper state **base rate**.
- Accurate Data is important for **Medicaid Assessment** Calculations.
- **Grant Eligibility** is an important derivative of the FRG Data.





# FRG Submission Dates

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*Agencies with Fiscal Year ending 12/31,  
please return completed FRG by 6/30*

***(6 months post closing)***

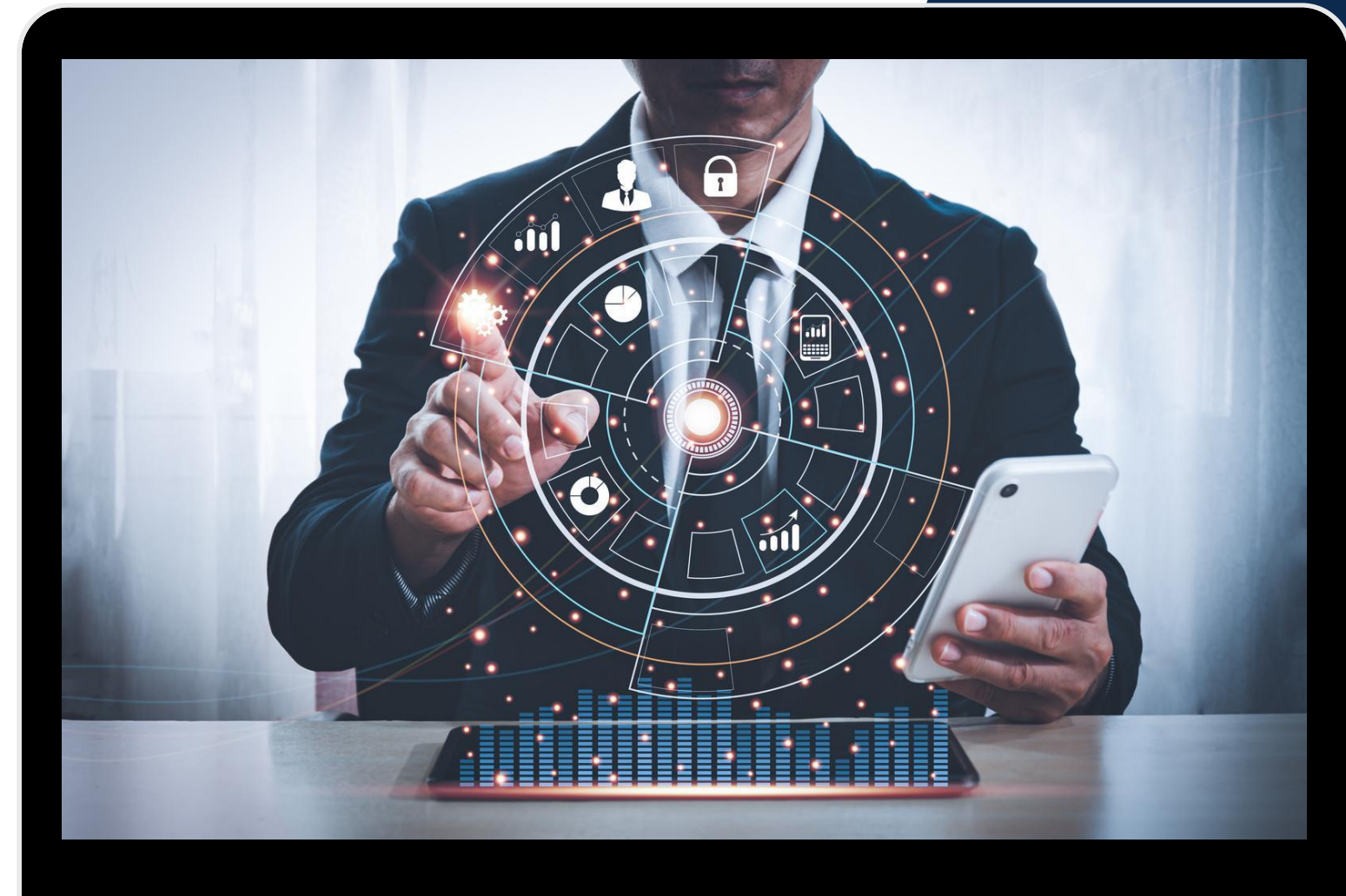
*Agencies with Fiscal Year ending 6/30,  
please return completed FRG by 12/31*

***(6 months post closing)***



# Common Challenges in Reporting

- Who should complete the form?
- I'm not a finance person.
- Combined EMS & Fire Agencies.
- Hospital Operated Agencies
- Wage Allocation.
- Overhead Allocation.
- Asset Cost Allocation.
- Deprecation Allocation.
- Third party billing companies.
- Other Expenses.



## **Who should fill out the form.**

- **Someone familiar with your financials (an accountant or financial staff member), also must be familiar with how your agency operates. Ideally someone involved in preparation of your financial statements.**
- **We recommend someone who understands EMS be involved or provide oversight. (Don't just pass off to the finance department)**
- **Leadership must be involved in combined EMS/Fire operations as well as Hospital Operated agencies.**

# Third Party Billing Companies

- **Not recommended that you have them fill out the form.**
- **Great resource if they know what you are asking.**
- **Different accounting methods, (Cash vs. Accrual).**
- **They often don't see your entire revenue stream.**
- **The key is to make sure you are getting accurate booked revenue for the revenue line.**
- **Make sure your revenue line actually matches deposits as recorded in your financial system.**
- **Remember the purpose of the FRG is to capture the financial position of your agency.**

Agency Name		
Fiscal Year Beginning & Ending		mm/dd/yy - mm/dd/yy
Total Ambulance Transports During the Year		
<b>Revenue: (do not include local tax subsidy)</b>		
Total Ambulance Revenue Collected		
Grant Revenue- Utah EMS		
Special Events		
Interest		
Other Income:		
<b>Total Revenue</b>		\$ -
<b>Expenses (Financial)</b>		
Salaries and Wages		
Benefits		
Contract Services		
Maintenance & Supplies		
Administration & Overhead		
Depreciation		
Medicaid Assessment (Total for all 4 Quarters)		
Other:		
Other:		
Other:		
<b>Total Expenses</b>		\$ -
<b>Net Income (Loss)</b>		\$ -

The information provided is accurate and ties to the **Audited Financial Statements** (or General Ledger) of our EMS agency for the same period.

Signature of Accountant/Financial Staff		Date
Print Name		

Explanation of Allocation Method if used: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Don't forget your name (yes it happens)

This drives your medicaid allocation.

This is ambulance revenue only!!

BEMS grant award \$\$

CPR Classes, First Aid Class revenue, event standby, etc.

Group other income together if necessary and attach a description.



Agency Name		
Fiscal Year Beginning & Ending		mm/dd/yy - mm/dd/yy
Total Ambulance Transports During the Year		
Revenue: (do not include local tax subsidy)		
Total Ambulance Revenue Collected		
Grant Revenue- Utah EMS		
Special Events		
Interest		
Other Income:		
Total Revenue		\$ -
Expenses (Financial)		
Salaries and Wages		
Benefits		
Contract Services		
Maintenance & Supplies		
Administration & Overhead		
Depreciation		
Medicaid Assessment (Total for all 4 Quarters)		
Other:		
Other:		
Other:		
Total Expenses		\$ -
Net Income (Loss)		\$ -
The information provided is accurate and ties to the <b>Audited Financial Statements</b> (or General Ledger) of our EMS agency for the same period.		
Signature of Accountant/Financial Staff		Date
Print Name		
Explanation of Allocation Method if used:		

Salaries and Wages,  
allocated if applicable.

Benefits allocated if  
necessary.

Any contracted services.

Maintenance & Supplies,  
allocated if applicable.

Admin and OH allocated  
if necessary.

Deprecation, Allocated if  
necessary.

Assessment, make sure to  
include all quarters.

Group other expenses  
together if necessary and  
attach a description.

Agency Name		
Fiscal Year Beginning & Ending		mm/dd/yy - mm/dd/yy
Total Ambulance Transports During the Year		
Revenue: (do not include local tax subsidy)		
Total Ambulance Revenue Collected		
Grant Revenue- Utah EMS		
Special Events		
Interest		
Other Income:		
Total Revenue		\$ -
Expenses (Financial)		
Salaries and Wages		
Benefits		
Contract Services		
Maintenance & Supplies		
Administration & Overhead		
Depreciation		
Medicaid Assessment (Total for all 4 Quarters)		
Other:		
Other:		
Other:		
Total Expenses		\$ -
Net Income (Loss)		\$ -
The information provided is accurate and ties to the <b>Audited Financial Statements</b> (or General Ledger) of our EMS agency for the same period.		
Signature of Accountant/Financial Staff		Date
Print Name		
Explanation of Allocation Method if used:		

Make sure when saving the file the filename includes the Agency Name and Year

e.g. PiuteCountyAmb\_2024.xls

# **What about other Revenue or Other Expenses**

- **Feel free to group similar expenses together, or use the "Other:" line items to specify the type of expenses.**
- **Feel free to group similar revenue together under the other income line item.**

# Challenges for Combined EMS / Fire or Hospital Operated Agencies

- **Allocation is the biggest issue.**
- **Must develop an allocation process and follow it annually.**
  - **Salaries and Wage Allocation.**
  - **Benefits Allocation.**
  - **Admin and Overhead Allocation.**
  - **Maintenance & Supplies Allocation**
  - **Depreciation Allocation.**



# Allocations

- To get an accurate financial picture of your EMS activities you need to **scrutinize each expense** and consider whether it needs to be allocated via a particular method.
- Your FRG must tie to your audited financial statements (allocation ratios applied).
- Remember the goal is **an accurate financial picture of your agency**.
- There is no benefit to showing higher gains or losses by your agency.
- Your FRG impacts the state as a whole. Your FRG gets rolled up into the statewide EMS financial statement that drives statewide decisions.
- Misrepresenting your financial record is falsification of a state document.

# Allocations

- **Reasonable**
- **Consistent and Doesn't Change Year to Year**
- **The allocation method can be consistent or vary by expense type.**
  - **Salaries and Wages**
  - **Maintenance**
  - **Supplies**
  - **Administrative Overhead**
  - **Depreciation**
- **The allocation method needs to be something that makes sense for for your agency and for a specific expense.**

# Allocations

- **One Common approach is the Ratio of EMS vs. Fire calls**
  - e.g. 76% of your calls are EMS, 76% of the expense would be on the FRG.
- **Another approach is vehicle bays**
  - e.g. You have 5 vehicle bays, 3 are dedicated to EMS, ⅔ of the expense would be on the FRG.
  - This might work for utilities, building depreciation, building maintenance.
- **Point of use allocation (is it used for Fire or EMS?)**
  - e.g. a \$47,000 Defibrillator would be 100% EMS.
- **Another method would be staffing ratio**
  - e.g. 60% of the staff is dedicated to EMS, this might apply to salaries, administrative overhead, benefits or other similar expenses.
- **Shared employees need to be allocated on a ratio basis.**
- **Ideally fuel would be tracked but if not, it needs to be allocated with a ratio.**



# Common Mistakes





Revenue		
Ambulance Collections		\$ 107,856.00
Grant Revenue		
Special Events		
Interest		\$ 43.00
Other Income:		
Total Revenue		\$ 107,899.00
Expenses (Financial)		
Salaries and Wages		\$ 9,000.16
Benefits		\$ 861.38
Contract Services		\$ 8,350.86
Maintenance & Supplies		\$ 43,752.33
Administration & Overhead		\$ 38,943.48
Depreciation		
Medicaid Assessment		\$ 2,579.00
Other: Training		\$ 7,944.35
Other:		
Other:		
Total Expenses		\$ 111,431.56
Net Income (Loss)		\$ (3,532.56)

Grant Revenue lumped  
with ambulance  
revenue.



<b>Revenue: (do not include local tax subsidy)</b>		
Total Ambulance Revenue Collected		\$ 153,552.38
Grant Revenue- Utah EMS		\$ 100,976.54
Special Events		\$ -
Interest		\$ 9,575.64
Other Income:		
<b>Total Revenue</b>		\$ 264,104.56
<b>Expenses (Financial)</b>		
Salaries and Wages		\$ 1,214,404.62
Benefits		\$ 418,087.80
Contract Services		\$ 10,413.33
Maintenance & Supplies		\$ 42,185.00
Administration & Overhead		\$ 56,685.72
Depreciation		\$ 150,717.84
Medicaid Assessment (Total for all 4 Quarters)		\$ 3,069.68
Other:	Abulance debt service	\$ 68,310.53
Other:		
Other:		
<b>Total Expenses</b>		\$ 1,963,874.52
<b>Net Income (Loss)</b>		\$ (1,699,769.96)

Improper allocation of  
Fire vs EMS

Grant Revenue Missing

<b>Revenue: (do not include local tax subsidy)</b>		
Total Ambulance Revenue Collected		\$ 149,616.81
Grant Revenue- Utah EMS		
Special Events		
Interest		
Other Income:		
<b>Total Revenue</b>		\$ 149,616.81
<b>Expenses (Financial)</b>		
Salaries and Wages		\$ 164,354.65
Benefits		\$ 72,002.71
Contract Services		
Maintenance & Supplies		\$ 16,917.67
Administration & Overhead		\$ 91,517.29
Depreciation		



# What to expect going forward

## RECOMMENDATION 2.3

The Bureau of Emergency Medical Services should adopt policies for monitoring and ensuring the accurate submission of financial data prior to the next rate-setting cycle and be able to demonstrate an improvement in the quality of data contained in fiscal reporting guides.



# What to expect going forward

- Creation of a filtering model for FRG data reported to the Bureau.
- Staff will scrutinize FRG Data upon submission to the Bureau.
- FRG's falling outside of normal data guidelines will be returned to the agency to verify correctness of the data.
- DPS Internal Audit team will begin FRG Auditing in 2025.
  - Agencies with questionable FRG data will be referred for audit.

# Contact Me



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**Bureau of EMS**

# Thank You

