

Memorandum

Date: October 21, 2020

To: Tubac Fire District, Board of Directors

From: The James Vincent Group

Re: General Rate Increase for Ambulance

JVG has reviewed the Tubac Fire District ambulance base rates and is providing the following options for an application for general rate increase. Currently, TFD’s base rate is \$1,198.80 and \$13.33 per mile, this is one of the lowest rates in southern Arizona. On the 2019 ARCR TFD reported a loss of \$287,454. This is based on all direct and indirect costs associated with the ambulance service.

Current statute allows for an ambulance provider to request a rate equal to a 7% rate of return. For TFD to achieve this the base rate would be over \$3,000 per transport. The chart below represents current comparable rates in the region.

	Regional Rates					
	Drexel-Heights	Green Valley	Nogales	Sonoita-Elgin	Rio Rico	Average
ALS	1,635.44	1,412.80	1,249.04	1,280.76	1,174.42	1,350.49
BLS	1,635.44	1,277.69	1,249.04	1,280.76	1,174.42	1,323.47
Mileage	23.34	11.78	16.28	17.68	15.29	16.87

To illustrate the increase in net collections based on the rates above a rate equal to Green Valley’s would result in increased net collections of \$20,000. If the rate requested equaled Drexel Heights net collections would increase \$135,000.

Based on the increased costs for medical supplies/pharmaceuticals, personnel costs and to reduce the District subsidiary JVG recommends the Board approve an application for a general rate increase. Due to the cost and time associated with the application JVG recommends TFD request a rate necessary to earn an additional \$100,000 in net collections.