

**DELAWARE VOLUNTEER FIREFIGHTER'S
ASSOCIATION**

**INSTRUCTIONS FOR CALCULATION OF
ESTIMATED PER RUN COSTS FOR
AMBULANCE RUNS FOR BASIC LIFE
SUPPORT SERVICES**

**PURSUANT TO DE SENATE BILL NO. 266,
GRANT-IN-AID BILL SECTION 39**

April 14, 2015

Mr. Anthony R. Guzzo
President
Delaware Volunteer Firefighter's Association
122 South Bradford Street
P.O. Box 1849
Dover, DE 19903

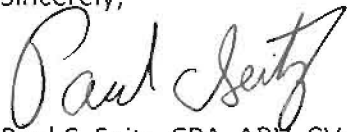
Re: Assistance in Establishing a Methodology for the Calculation of Per Run Costs Related to Ambulance Runs for Basic Life Support Services (As Per DE Senate Bill # 266, Grant-In-Aid Bill, Section 39)

Dear Mr. Guzzo,

As requested, I have developed a methodology for calculating costs incurred by Delaware's non-profit, volunteer fire companies and the other volunteer, non-profit ambulance companies providing basic life support ambulance and EMS services. The need for this project is prompted by the increasing costs incurred by these organizations due to prior legislation (House Bill No. 332) primarily related to the requirement to hire trained and certified staff necessary to meet the response time criteria established by the Bill. These organizations have been unable to recover the additional costs through billings to health coverage providers. The new methodology provides a uniform method to capture the costs of providing these services and can be used as the basis for setting a billing floor for such costs to ensure ambulance companies are reimbursed at a rate that is not less than cost.

If you have any questions regarding any aspect of this calculation methodology, please call me.

Sincerely,



Paul C. Seitz, CPA, ABV, CVA, MAFF
Managing Director

cc: David J. Roberts, Commissioner, State Fire Prevention Commission

DELAWARE VOLUNTEER FIREFIGHTER'S
ASSOCIATION
CALCULATION INSTRUCTIONS
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DELAWARE VOLUNTEER FIREFIGHTER'S ASSOCIATION

PROCEDURES FOR CALCULATING ESTIMATED COST PER BLS SERVICES RUN

1. INTRODUCTION:

Delaware Senate Bill No. 266, Section 39(b) states:

"The Department of Insurance ("DOI"), "in conjunction with the State Fire Prevention Commission ("SFPC"), shall specify a method for establishing per run costs related to ambulance runs for basic life support ("BLS") ambulance services. DOI, in conjunction with SFPC, shall certify and report the method for establishing per run costs for BLS ambulance services to the General Assembly and the Controller General for the purpose of creating legislation to enact such a method and prohibit below cost allowables."¹

The mandate for this calculation emanates from Delaware Senate Bill No. 207, as amended, Section 1 which amends Chapter 33, Title 18 of the Delaware Code. Specifically subsection (b) of Section 3349A, Required Coverage for Volunteer Ambulance Company Services, now provides for the following:

"Every individual health insurance policy, contract, certificate or plan which is delivered or issued for delivery in this State by any health insurer, health service corporation, health maintenance organization, or managed care organization, shall include coverage of not less than the cost of every ambulance run and associated basic life support (BLS) services provided by a volunteer ambulance company, inclusive of an allowance for uncompensated service, whether in the form of:

- (1) An allowable charge:*
- (2) Through 100% payment: or*
- (3) Any combination of the foregoing."²*

The need for this legislation is identified in the synopsis to Bill No. 207 which notes the requirements of House Bill 332 passed in 1999 stating that "volunteer ambulance companies needed to hire paid EMT and ambulance attendants to ensure the availability of sufficient numbers of trained, certified staff." However, the legislation did not address funding issues and as a result, the volunteer ambulance companies faced increasing costs with no apparent source of new revenue to offset these costs. The new cost structure has undermined the financial stability of many of Delaware's volunteer ambulance companies.

¹ Note: Underlying provided for emphasis purposes.

² Ibid

In order to meet the requirements of the legislation, a Microsoft Excel workbook has been developed to facilitate the calculation process. The overall objective is to establish a methodology utilizing each Provider's actual BLS costs and actual BLS service runs from the most recently completed fiscal year (either June 30 or December 31) as the basis for estimating the new fiscal year's BLS Service Run Costs. The goal of the legislation is to merely set a floor to ensure the ambulance companies are reimbursed at a rate "not less than the cost of every ambulance run and associated basic life support services." The legislation does not establish a ceiling but is intended to ensure Providers are reimbursed at rates that are at least equal to actual cost.

2. GENERAL GUIDELINES:

A. Report Timing

One of the more important aspects of the calculation is fiscal year timing. It is not practical to have changes in rates throughout the year as this might impose an undue burden on health coverage providers in modifying and planning for BLS rate changes.

Given that a majority of the BLS service Providers have either a June 30 or December 31 fiscal year end, it is deemed appropriate to have all the Providers calculate BLS costs for EMS billing purposes utilizing one of these two time periods. While it is understood that some Providers have a fiscal year end different from the selected periods, they must elect one of these time periods. This will necessitate the use of financial data from the trailing 12 months prior to the selected time period which will incorporate data from two different fiscal years. Caution must be exercised to ensure the completeness of the financial data used for each month.

B. Calculation Timing

Each Provider will have 90 days subsequent to the time period selected (either June 30th or December 31st) to calculate and submit the estimated cost per BLS Service Run for billing these services over the next twelve months to health coverage providers. The new rates will be effective as of October 1st for those reporting on a June 30th basis and April 1st for those using December 31st. Thus, there will be a three-month lag between the end of the reporting period and the implementation of the new billing rate.

C. Accounting Considerations

In calculating the charge for providing BLS Services, all costs, both direct and indirect, should be included in the calculation workbook. For this purpose, the following definitions should be used for these expenses:

- **Direct Costs** – Those costs that can be specifically and easily identified with providing BLS Services. For instance, fuel and cost of repairs for ambulances as well as the cost of insurance for the vehicles are direct costs.
- **Indirect Costs** – Costs that are incurred by the entity for overall operations and cannot be easily and specifically identified with the service being provided. For instance, the costs (maintenance, utilities, etc.) of maintaining the station building which houses all fire trucks and ambulances should be allocated to BLS Services based on the square footage occupied by the ambulances garaged in the facility as a percentage of the total square footage of the facility (See Section 3. B for an explanation of this calculation).

In addition to cost allocation considerations, the accounting utilized to determine expenses should be **accrual accounting**. From an accounting perspective, accrual accounting matches the expense with the time period in which it's incurred. For example, the January utility bill should be recorded as an expense in January even if paid in a subsequent month. If the utility bill covers the period from December 20 – January 20, it should be recorded as a January expense even though it covers a portion of the prior month. Further, the objective is to have 12 utility bills recorded for the 12 month reporting period not 11 or 13. To the extent there are too few or too many bills in the period, an adjustment should be made to ensure only 12 bills are recorded as an expense. Another example is an insurance bill which might cover a 12 month period, say ending September 30th. As long as you consistently expense one insurance bill in the 12 month calculation period ending June 30th, there is no need to adjust the insurance bill for the three months after June 30th. Certainly, if your accounting software amortizes the insurance bill on a monthly basis over 12 months, use the results of the accounting software which will have 12 months of expense.

Further, with respect to indirect costs, these amounts must be allocated to the various pools of BLS Expenses. In selecting the allocation method, the objective was to identify a straight forward method that could be easily and uniformly applied by all Providers. It is believed that a percentage allocation based on square feet occupied by the ambulances as compared to total square feet of the facility is appropriate. The use of this method by all Providers lessens the concerns over differences in calculated estimated BLS cost among the Providers due to the use of different allocation methods.

3. **CALCULATION PROCEDURES:**

A. **Overview**

The estimated cost to provide BLS Services is calculated via a preformatted Excel Workbook titled, **DVFA – BLS COSTING**. The workbook is comprised of four specific worksheets which will calculate the Estimated Cost Per BLS Services Run. The four worksheets are as follows:

- 1) **SUMMARY** – This sheet summarizes all the various cost and revenue components and calculates the Estimated Cost Per BLS Services Run utilizing the

estimated billable BLS runs for the upcoming year (starts either April 1st or October 1st).

- 2) **BLS EXPENSES** – Provides details of the various BLS Expenses by major category which are:
 - a. Human Resources
 - b. Vehicles
 - c. Facilities
 - d. Administration
 - e. Depreciation Charges – Capital Investment
 - f. Ancillary Equipment Costs
- 3) **CATEGORY SUBEXPENSES** – This worksheet provides the details of expenses supporting each of the BLS Expense groupings noted in 2) above. For instance under Facilities on the **BLS EXPENSES** tab, the category, utilities, is listed. Rather than include all the detail on this worksheet, the preparer can click on the **CATEGORY SUBEXPENSES** tab and go to section 3 Facilities, A. Buildings and the utilities subcategory which provides a listing of the various components of utilities such as electric, water/sewer, gas etc. The expenses for each should be entered. They will be totaled and automatically referenced to the **BLS EXPENSES** worksheet. This is the same for each of the categories listed on the worksheet.
- 4) **ALLOCATIONS & DEPRECIATION** – Certain indirect expenses must be allocated to BLS Services based on an allocation percentage using square feet. This worksheet provides the formula for the square footage percentage allocation. In addition, depreciation is automatically calculated for the various capital assets such as ambulances, buildings, equipment, etc. after certain information is provided.

The four worksheets are linked to one another so the information flows from worksheet to worksheet up to the first tab, summary. The various formulas in the worksheets are protected and the cells highlighted in green. Only the cells requiring information by the preparer can be filled in.

B. Worksheet Completion

As the worksheets flow from sheet 4 to sheet 1, the details for completion of the various worksheets will start with the last tab. The various worksheets are attached as Exhibits to these instructions. To facilitate an understanding as to how the calculations are performed, values are included as examples in the various worksheets to enhance the presentation. An important feature of the worksheets is the use of green and yellow highlighting of the cells. Green highlighted cells are protected and automatically perform the necessary calculations for recorded values. Yellow highlighted cells are also protected and total the values for a particular category and generally reference the total forward in the workbook.

- **ALLOCATIONS & DEPRECIATION (See Exhibit 1)** – This worksheet as its name indicates, calculates the allocation percentage for indirect costs and depreciation expenses for the various fixed assets owned by the Provider. The two calculations are as follows:

1) **Allocation Percentage for Indirect Costs** - As previously discussed, indirect costs are allocated on a percentage basis using building square feet. This calculation requires two inputs, square feet of the building and square feet used for ambulance operations. After the information is input, the allocation percentage is calculated and referenced to the various calculations in the workbook requiring the allocation of indirect costs.

2) **Depreciation Charges** – This portion of the worksheet calculates depreciation for the various fixed asset classes including ambulances, buildings and improvements, furniture & fixtures, computers & office equipment and radio towers or antennas. Depreciable lives are assigned for each asset class. There are three pieces of information required for any asset or grouping of assets.

- **Asset Acquisition Cost** – This represents the acquisition cost of the individual assets for ambulances, buildings and radio towers or antennas. For asset pools such as building improvements, furniture & fixtures and computers & office equipment, the aggregate cost for all such items acquired within a particular year is used as a single cost. This will reduce the burden of listing multiple assets acquired during a particular year.

As an example, if the BLS provider purchased two computers @ \$5,000 each and three new printers @ \$300 each in 2013, the total cost of assets acquired is \$10,900. Under computers and office equipment, the Year Group column is changed to reflect Year Group 2013 (any Year Group line can be changed to reflect the acquisition year) and \$10,900 is entered under the Acquisition Cost column (these amounts are entered on the Exhibit 1 worksheet). Since the depreciation life is five years, assets groups older than five years in this category are dropped from the worksheet as they are fully depreciated. For ambulances, buildings and radio towers or antennas, the acquisition cost for the individual items is entered under the acquisition cost column.

- **Date Acquired or Year Acquired** – For ambulances, buildings and radio towers or antennas, the specific acquisition month is used. Thus, if a new ambulance is purchased in January 2013. The date acquired is recorded as the first day of the purchase month and listed under the date acquired column as 1/1/13 (see entry for ambulance #1).

For the asset pool categories (building improvements, furniture & fixtures, etc.), the first day of the year in which the assets are acquired is listed. Thus, for all furniture & fixtures acquired in 2012, the date 1/1/12 is listed under the year acquired column.

- **Previous Year End** – This represents the most recently completed year. Therefore, assuming the provider is calculating estimated cost per BLS Services run for 2014 and has a December 31st year end; 12/31/13 is entered under the previous year end column.

There are no entries necessary under the following columns as they are prefilled with a value or calculation.

- ✓ Annual Depreciation
- ✓ Cumulative Depreciation (In Years)
- ✓ Depreciable Life (In Years)
- ✓ Remaining Depreciable Life
- ✓ Current Year Depreciation Factor
- ✓ Current Year Depreciation

Finally, the depreciation charges for all assets classes other than ambulances are considered indirect and the percentage allocation factor calculated in the first section of this worksheet is used to allocate category depreciation to BLS Services.

➤ **CATEGORY SUBEXPENSES (See Exhibit 2)** – This worksheet provides the details for certain expense categories\line items listed on the **BLS EXPENSES** worksheet. First, there are six main expense categories used in the BLS Services calculation as follows:

- 1) Human Resources
- 2) Vehicles
- 3) Facilities
- 4) Administration
- 5) Depreciation Charges – Capital Investment
- 6) Ancillary Equipment Costs

The Provider enters detailed expenses supporting a particular line item in this worksheet. For instance, in the **BLS EXPENSES** worksheet (See Exhibit 3), under section 1. A., EMT Personnel, two line items, Other Insurance Related Expenses and Other Personnel Costs, have green cell highlights in the Fiscal Year 2014 column. This is due to the fact that these categories are, most likely, comprised of several different expenses. The **CATEGORY SUBEXPENSES** worksheet allows the Provider to list the individual expenses comprising these line items. The expenses are totaled and then referenced to the related summary category in the **BLS EXPENSES** worksheet. Therefore, when completing the **BLS EXPENSES** worksheet, a green highlighted cell in the fiscal year column indicates the details for this line item must first be entered into the **CATEGORY SUBEXPENSES** worksheet which will reference the line item total forward.

Expense Category 5 above, Depreciation Charges – Capital Investment, will have the numbers filled via referencing from the **ALLOCATIONS & DEPRECIATION** worksheet which calculates the depreciation for all capital asset classes.

Expense Category 6 above, Ancillary Equipment Costs, is included for Providers having Rescue Trucks and Support Vehicles that respond to BLS calls. List the number of vehicles for each type in the column labeled "Number." The annual per vehicle depreciation charge is limited to \$20,000 for Rescue Trucks and \$4,000 for Support Vehicles. (Note: If the Rescue Truck is older than 20 years or the Support Vehicle is older than 6 years, no depreciation is allowed.) Also, the annual vehicle(s) insurance premium

can be charged by entering the amount for each vehicle under the premium column. The annual charge for BLS purposes is limited to 40% of the annual premium and this amount is automatically calculated after the premium amount is entered. Insurance premiums can be deducted even if there is no qualifying depreciation for either vehicle. If the Provider does not have either a Rescue Truck or Support Vehicle, a \$0 should be entered in the depreciation and premium columns for each vehicle.

- **BLS EXPENSES (See Exhibit 3)** – The expenses for each of the BLS Services categories are detailed and summarized on this worksheet. The BLS Provider is required to enter costs for certain categories directly into the non-colored cells. For instance, under EMT Personnel, Salaries & Wages, Payroll Taxes and Health Insurance, these amounts are entered directly on this worksheet. Also, under Vehicles, Fuel, Oil and Ambulance Insurance costs are also entered directly. This is the same process for all the categories through and including Administration. Thus, the various category totals for sections 1 - 4 are comprised of amounts referenced from the **CATEGORY SUBEXPENSES** worksheet and the amounts are entered directly into this worksheet.

No entries need to be made for Categories 5 & 6, Depreciation Charges – Capital Investment and Ancillary Equipment Costs. The amounts for these groupings are referenced from the **CATEGORY SUBEXPENSES** worksheet.

- **SUMMARY (See Exhibit 4)** – This worksheet presents in summary form all the expenses for the six BLS Services categories and computes the overall total expenses before reimbursement. The following adjustments or calculations are then made (see the corresponding red highlighted number on the **SUMMARY** worksheet):

- 7) Reimbursements – Each of the BLS Service Providers is normally the recipient of funds in support of BLS Services from the state and county governments. Such amounts are required to be included as offsets to BLS costs.
- 8) Over (Under) Reimbursement From Prior Fiscal Year – The overall calculation relies on estimates and assumptions for BLS Service Costs as well as estimates for Billable BLS Runs for the upcoming fiscal year. Actual results might well be different from the estimates used. As a result, the Provider will either over or (under) bill the health coverage providers and/or their insureds (as compared to the Provider's total costs for the prior year). The amount of the over or (under) billing must be included in the subsequent year's BLS Cost Calculation.

For instance, actual costs for the current fiscal year BLS Services might total \$1,000,000 while amounts collected plus outstanding billings to the health coverage providers at year end as well as amounts billable but unbilled as of the end of the fiscal year might only be \$900,000 representing a \$100,000 shortfall of expenses as compared to revenues. The shortfall amount would be added to the estimated BLS Services Costs for the next fiscal year.

- 9) Inflation Adjustment – An annual inflation adjustment will be provided annually as of June 30th and December 31st.
- 10) Estimated Billable Runs – The number of estimated runs should be the greater of the prior year's runs or prior year runs adjusted for growth based on the previous three years.
- 11) Estimated Cost Per BLS Services Run – Equals Base Allowable BLS Service Costs/Estimated Billable Runs.

If during the course of preparing the BLS Cost Per Service Run you note any errors or believe enhancements can be made to the process, please notify the Delaware Volunteer Firefighter's Association of your suggestions.

EXHIBIT 1

ALLOCATIONS & DEPRECIATION WORKSHEET

**DELAWARE VOLUNTEER FIREFIGHTER'S ASSOCIATION
CALCULATION OF COST ALLOCATIONS AND DEPRECIATION FOR BASIC LIFE SUPPORT SERVICES
PURSUANT TO DELAWARE SENATE BILL # 266, SECTION 39 (b)**

ALLOCATIONS & DEPRECIATION

(Note: Green Highlighted Cells Are Protected and Should Not Be Adjusted)

ALLOCATION PERCENTAGE FOR INDIRECT COSTS:

Total Building Square Footage (A)	7,500
Total Square Footage Used for Ambulances (B)	1,000
Allocation Percentage (B/A)	13.3%

DEPRECIATION CHARGES:

AMBULANCE(S):

	Acquisition Cost	Annual Depreciation (Based on 5 Year Life)	Date Acquired	Previous year End	Cumulative Depreciation (In Years)	Depreciable Life (In Years)	Remaining Depreciable Life	Current Year Depreciation Factor	Current Year Depreciation
Ambulance #1	\$250,000	\$50,000	1/1/13	12/31/13	1.0	5	4.0	1.0	\$50,000
Ambulance #2	250,000	50,000	1/1/12	12/31/13	2.0	5	3.0	1.0	50,000
Ambulance #3	250,000	50,000	1/1/11	12/31/13	3.0	5	2.0	1.0	50,000
Ambulance #4	250,000	50,000	1/1/10	12/31/13	4.0	5	1.0	1.0	50,000
Ambulance #5	250,000	50,000	1/1/09	12/31/13	5.0	5	0.0	0.0	0
Current Year Ambulance(s) Depreciation Charge(s) to BLS Services									\$200,000

BUILDINGS:

(40 Year Life)

Building 1	\$1,500,000	\$37,500	07/01/95	12/31/13	18.5	40	21.5	1.0	\$37,500
Building 2	500,000	12,500	01/01/00	12/31/13	14.0	40	26.0	1.0	12,500

Current Year Building(s) Depreciation Charge(s)	50,000
Facilities Allocation Percentage (See Calculation Above)	13.3%

Building Depreciation Allocated to BLS Services	\$6,667
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BUILDING IMPROVEMENTS:

(15 Year Life)

Year Acquired

	Acquisition Cost	Annual Depreciation	Year Acquired	Previous year End	Cumulative Depreciation (In Years)	Depreciable Life (In Years)	Remaining Depreciable Life	Current Year Depreciation Factor	Current Year Depreciation
Year Group 2010	\$45,000	\$3,000	1/1/10	12/31/13	4.0	15	11.0	1.0	\$3,000
Year Group 2005	75,000	5,000	1/1/05	12/31/13	9.0	15	6.0	1.0	5,000
Year Group 1999	105,000	7,000	1/1/99	12/31/13	15.0	15	0.0	0.0	0
Year Group 4	0	0			0.0	15	15.0	1.0	0
Year Group 5	0	0			0.0	15	15.0	1.0	0
Year Group 6	0	0			0.0	15	15.0	1.0	0
Year Group 7	0	0			0.0	15	15.0	1.0	0
Year Group 8	0	0			0.0	15	15.0	1.0	0
Year Group 9	0	0			0.0	15	15.0	1.0	0
Year Group 10	0	0			0.0	15	15.0	1.0	0
Year Group 11	0	0			0.0	15	15.0	1.0	0
Year Group 12	0	0			0.0	15	15.0	1.0	0

Current Year Building Improvement Depreciation Charges	8,000
Facilities Allocation Percentage (See Calculation Above)	13.3%

Building Improvement Depreciation Allocated to BLS Services	\$1,067
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FURNITURE & FIXTURES:		(7 Year Life)							
Year Group 2012	\$49,000	\$7,000	1/1/12	12/31/13	2.0	7	5.0	1.0	\$7,000
Year Group 2011	63,000	9,000	1/1/11	12/31/13	3.0	7	4.0	1.0	9,000
Year Group 2008	42,000	6,000	1/1/08	12/31/13	6.0	7	1.0	1.0	5,984
Year Group 2006	56,000	8,000	1/1/06	12/31/13	8.0	7	0.0	0.0	0
Year Group 5		0			0.0	7	7.0	1.0	0
Year Group 6		0			0.0	7	7.0	1.0	0
Year Group 7		0			0.0	7	7.0	1.0	0
Current Year Furniture & Fixture Depreciation Charges									21,984
Facilities Allocation Percentage (See Calculation Above)									13.3%
Furniture & Fixture Depreciation Allocated to BLS Services									\$2,931

COMPUTERS & OFFICE EQUIPMENT:		(5 Year Life)							
Year Group 2013	\$10,900	\$2,180	1/1/13	12/31/13	1.0	5	4.0	1.0	\$2,180
Year Group 2010	30,000	6,000	1/1/10	12/31/13	4.0	5	1.0	1.0	6,000
Year Group 2011	20,000	4,000	1/1/11	12/31/13	3.0	5	2.0	1.0	4,000
Year Group 2012	15,000	3,000	1/1/12	12/31/13	2.0	5	3.0	1.0	3,000
Year Group 5		0			0.0	5	5.0	1.0	0
Current Year Computers & Office Equipment Depreciation Charges									15,180
Facilities Allocation Percentage (See Calculation Above)									13.3%
Computers & Office Equipment Allocated to BLS Services									\$2,024

Transmission/Radio Towers or Antennas		(25 Year Life)		Date Acquired						
Unit 1	\$50,000	\$2,000		1/1/00	12/31/13	14.0	25	11.0	1.0	\$2,000
Unit 2	75,000	3,000		7/1/10	12/31/13	3.5	25	21.5	1.0	3,000
Current Year Transmission/Radio Towers Depreciation Charges									5,000	
Facilities Allocation Percentage (See Calculation Above)									13.3%	
Transmission/Radio Towers Depreciation Allocated to BLS Services									\$667	

EXHIBIT 2

CATEGORY SUBEXPENSES

WORKSHEET

DELAWARE VOLUNTEER FIREFIGHTER'S ASSOCIATION
CALCULATION OF COSTS RELATED TO BASIC LIFE SUPPORT SERVICES
PURSUANT TO DELAWARE SENATE BILL # 266, SECTION 39 (b)
CATEGORY SUBEXPENSES

Fiscal Year
2014

1 HUMAN RESOURCES

A. EMT Personnel:-

Other Insurance Related Expenses:

Life Insurance	1
Disability Insurance	1
Professional Liability Insurance (Allocate on a Per Person Basis if a Blanket Policy)	
Other (Please specify):	
	1

Total Other Insurance Related Expenses (to BLS Expenses)

3

Other Personnel Costs:

Workers' Compensation	
Uniforms	1
Licensing	1
Other (Please specify):	
	1

Total Other Personnel Costs (to BLS Expenses)

3

B. Personnel Training & Related Costs:-

In-House Training:

Instructor Fees	1
Materials	
Other (Please specify):	
	1

Total Personnel Training & Related Costs (to BLS Expenses)

2

Other Training Related Costs:

Periodicals	1
Supplies & Other Consumables	
Other (Please specify):	
	1

Total Other Training Related Costs (to BLS Expenses)

2

2 VEHICLES

A. Vehicle Costs:-

Repairs & Maintenance:

Parts & Tires	1
Consumable Equipment for In-House Repairs/Adjustments	
Small Tools and Related Equipment	
Consumable Parts/Tools/Equipment Related to Ambulance Maintenance	
Other (Please Specify):	
	1

Total Repairs & Maintenance (to BLS Expenses)

2

Other Vehicle Costs:

Registration Fees	1
Other (Please Specify):	
	1

Total Other Vehicle Costs (to BLS Expenses)

2

B. EMS Supplies:

Ambulance Supplies	
Medical Supplies	1
Gases (Oxygen)	
Drugs	
Other (Please specify):	
	1

Total Ambulance Supplies (to BLS Expenses)	2

Other Consumable Supplies (Please Specify):

_____	1
_____	1

Total Other Consumable Supplies (to BLS Expenses)	2

C. Communications:

Communication Equipment & Contracts:

Phones/Pagers	1
Radios	
Carrier Charges	
Maintenance Contracts	1

Total Communication Equipment & Costs (to BLS Expenses)	2

Other Communication Costs:

Transmission Tower/Antenna (Lease cost if not owned)	1
Supplies	
Other (Please Specify):	

Total Other Communication Costs (to BLS Expenses)	1

3 FACILITIES

A. BUILDINGS:

Utilities:

Electric	1
Water/Sewer	
Gas	
Propane	
Other (Please Specify):	

Total Utilities (to BLS Expenses)	1

Maintenance:

Janitorial	1
Housekeeping (Laundry, Linens, Etc.)	
Groundskeeping/Landscaping, including snow removal	
Maintenance & Repairs - General	

Total Maintenance (to BLS Expenses)	1

Other Facilities Expenses:

Building Supplies (Please Specify):	
_____	1

 Building Services (Please Specify):

 Other Expense (Please Specify):

Total Other Facilities Expenses (to BLS Expenses)	1

4 **ADMINISTRATION**

A. **Office Operations:**

Office Expenses:

Telephone	1
Postage	
Office Supplies	
Copier Equipment	
Office Repairs & Maintenance	
Other (Please Specify):	

Total Office Expenses (to BLS Expenses)	1 2
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Professional Fees:

Legal Fees	1
Audit/Compliance Reporting Fees (BLS Services Cost Calculation)	
Compliance Reporting Fees	
Consulting Fees (Please Specify):	

Total Professional Fees (to BLS Expenses)	1 2
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Computer Expenses:

Computer	1
Printers	
Computer Software	
Computer Supplies	
Other (Please Specify):	

Total Computer Expenses (to BLS Expenses)	1 2
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Other Office Expenses:

Miscellaneous Office Expenses	1
Service/Management Contracts (Please Specify):	

Other (Please Specify):	
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Total Other Office Expenses (to BLS Expenses)	1 2
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5 **DEPRECIATION CHARGES - CAPITAL INVESTMENT:**

A. **Capital Equipment & Facilities:**

Ambulances (No allocation - 100%)	200,000
Buildings	6,667
Building Improvements	1,067
Furniture & Fixtures	2,931
Computers & Office Equipment	2,024
Transmission/Radio Towers or Antennas	667

6 **ANCILLARY EQUIPMENT COSTS:**

A. **Rescue & Support/First Responder Equipment Allocations:**

	Number	Depreciation	Premium
Rescue Truck:			
Depreciation (Fixed @ \$20,000 Per Year)	1	20,000	20,000
Vehicle Insurance (Limited to 40% of Premium)			0
Support/First Responder Vehicle			
Depreciation (Fixed @ \$4,000 Per Year)	1	4,000	4,000
Vehicle Insurance (Limited to 40% of Premium)			0

EXHIBIT 3

BLS EXPENSES

WORKSHEET

DELAWARE VOLUNTEER FIREFIGHTER'S ASSOCIATION
CALCULATION OF COSTS RELATED TO BASIC LIFE SUPPORT SERVICES
PURSUANT TO DELAWARE SENATE BILL # 266, SECTION 39 (b)
BLS EXPENSES

(Note: Cells Highlighted in Green Are Referenced From The Category Subexpenses Worksheet)

		Fiscal Year 2014
1	HUMAN RESOURCES	
	A. EMT Personnel:	
	Salaries & Wages	
	Payroll Taxes	
	Health Insurance	
	Pensions	
	Other Insurance Related Expenses	3
	Other Personnel Costs	3
	<i>Total EMT Personnel (to Summary)</i>	6
	B. Personnel Training & Related Costs:	
	EMT Training Courses & Conferences	
	Training Travel Costs, Including Meals	
	Medical Testing	
	Background Checks	
	Association/Membership Dues	
	In-House Training	2
	Other Training Related Costs	2
	<i>Total Personnel Training & Related Costs (to Summary)</i>	4
	Total Human Resources Expenses	10
2	VEHICLES	
	A. Vehicle Costs:	
	Fuel	
	Oil	
	Repairs & Maintenance	2
	Ambulance Insurance	
	Maps/GPS	
	Interest (For debt specifically related to ambulance acquisition)	
	Other Vehicle Costs	2
	<i>Total Vehicle Costs (to Summary)</i>	4
	B. EMS Supplies:	
	Ambulance Supplies	2
	Laundry & Linen	
	Other Consumable Supplies	2
	<i>Total EMS Supplies (to Summary)</i>	4
	B. Communications:	
	Salaries & Related Payroll Expenses	
	Communication Equipment & Contracts:	2
	Other Communication Costs	1
	<i>Total Communications Expenses (to Summary)</i>	3
	Total Vehicles	11

DELAWARE VOLUNTEER FIREFIGHTER'S ASSOCIATION
CALCULATION OF COSTS RELATED TO BASIC LIFE SUPPORT SERVICES
PURSUANT TO DELAWARE SENATE BILL # 266, SECTION 39 (b)
BLS EXPENSES

(Note: Cells Highlighted in Green Are Referenced From The Category Subexpenses Worksheet)

		Fiscal Year 2014
3	FACILITIES	
	A. BUILDINGS:	
	Property & Casualty Insurance	5
	Utilities	1
	Maintenance	1
	Other Facilities Expenses	1
	Lease (If building not owned, lease cost in lieu of depreciation)	
	Property Taxes	
	Interest Expense (For debt specifically related to the building)	
	<i>Total Facilities Before Allocation</i>	8
	<i>Allocation Percentage</i>	13.3%
	<i>Total Facilities Includable in BLS Costs (to Summary)</i>	1
4	ADMINISTRATION	
	A. Office Operations:	
	Salaries & Related Payroll Expenses	5
	Office Expenses	2
	Professional Expenses	2
	Computer Expenses	2
	Other Office Expenses	2
	<i>Total Office Operations</i>	13
	<i>Allocation Percentage</i>	13.3%
	<i>Total Office Operations Includable in BLS Costs (to Summary)</i>	2
	B. Billings & Collections (Note: Not Subject To Allocation):	
	Billing Services	1
	Bad Debts	
	Collection Agency Fees	
	Other Fees & Expenses	
	<i>Total Billings & Collections Expenses (to Summary)</i>	1
	Total Administration	3
5	DEPRECIATION CHARGES - CAPITAL INVESTMENT:	
	A. Capital Equipment & Facilities:	
	Ambulances (No allocation - 100%)	200,000
	Buildings	6,667
	Building Improvements	1,067
	Furniture & Fixtures	2,931
	Computers & Office Equipment	2,024
	Transmission/Radio Towers or Antennas	667
	<i>Total Capital Investment (to Summary)</i>	213,355
6	ANCILLARY EQUIPMENT COSTS:	
	A. Rescue & Support/First Responder Equipment Allocations:	
	Rescue Truck:	
	Depreciation	20,000
	Vehicle Insurance	0
	Support/First Responder Vehicle	
	Depreciation	4,000
	Vehicle Insurance	0
	<i>Total Rescue & Support Equipment Allocations (to Summary)</i>	24,000

EXHIBIT 4

SUMMARY

WORKSHEET

DELAWARE VOLUNTEER FIREFIGHTER'S ASSOCIATION
CALCULATION OF COSTS RELATED TO BASIC LIFE SUPPORT SERVICES
PURSUANT TO DELAWARE SENATE BILL # 266, SECTION 39 (b)
SUMMARY

		Fiscal Year 2014
1	<u>HUMAN RESOURCES</u>	
	EMT Personnel	\$6
	Personnel Training & Related Costs	4
	Total Human Resources Expenses	<u>10</u>
2	<u>VEHICLES</u>	
	Vehicle Costs	4
	EMS Supplies	4
	Communications	3
	Total Vehicles	<u>11</u>
3	<u>FACILITIES</u>	
	BUILDINGS	1
	Total Facilities	<u>1</u>
4	<u>ADMINISTRATION</u>	
	Office Operations	2
	Billings & Collections	1
	Total Administration	<u>3</u>
5	<u>DEPRECIATION CHARGES - CAPITAL INVESTMENT:</u>	
	Capital Equipment & Facilities	213,355
	Total Capital Investment	<u>213,355</u>
6	<u>ANCILLARY EQUIPMENT COSTS:</u>	
	Rescue & Support/First Responder Equipment Allocations	24,000
	Total Rescue & Support Equipment Allocations	<u>24,000</u>
	Total BLS Service Costs Before Reimbursements	<u>237,379</u>
7	Less: State Reimbursements	(1)
	County Reimbursements	(1)
	Net BLS Service Costs Before Prior Year Adjustment	<u>237,377</u>
8	Over (Under) Reimbursement From Prior Fiscal Year	0
	BLS Service Costs Before Inflation Adjustment	<u>237,377</u>
9	Inflation Adjustment	2.00%
	Base Allowable BLS Service Costs	242,124
10	Estimated Fiscal 2015 Billable Runs	<u>1,000</u>
11	Estimated Cost Per BLS Services Run for Fiscal 2015	<u>\$242</u>