Commonwealth of Virginia Office of EMS Consultant Report

FITCH & ASSOCIATES

Virginia
OFFICE OF EMERGENCY MEDICAL SERVICES
Virginia Department of Health

September 18, 2024

Executive Summary

- OEMS uncovered $33M in unpaid debts, over-obligations by July 2023
- Director, Associate Director resigned amid financial mismanagement
- Associate Director convicted for $4.3M embezzlement by September 2023
- Weak oversight in OEMS and VDH led to crisis
- FITCH through MedServ, contracted in January 2024 to provide onsite leadership, assist in resolving the financial crisis, provide recommendations

- **Financial:** OEMS failed $12.5M transfer, prompting $8M carryover, $25M allocation.
- **Legal:** Both hybrid EMS models bypassed legal review, and State employees were supervised by non-state boards. Compliance concerns were raised related to adherence to the State Code.
- **Cultural:** OEMS's perceived as an enforcement agency, non-customer centric, and poor responsiveness drove agencies to rely on Regional EMS Councils, eroding trust and making OEMS appear more as an enforcement body than a supportive partner.
- **Operational:** In 2022, EMS symposium costs soared to $1.6M while funding was through the Western EMS Council. Changes in education and the education coordinator process created staffing challenges in rural communities. The SW region has experienced a 27% decline since 2004.
- **Oversight:** Before recent changes, the EMS Advisory Board's annual costs topped $400,000, with 28 members and 21 subcommittees showing limited influence and selective OEMS adherence to its advice, fostering conflict and mistrust.

Critical Findings

FAILURE OF FISCAL OVERSIGHT AND CONTROL

- VDH senior leadership and the former OEMS director failed to oversee financial controls, resulting in $33M in unpaid debts, $4.3M in embezzlement, and a fraud conviction.
- Virginia EMS Symposium costs soared to $1.6M annually, with mismanagement and overspending exacerbated by unfunded programs and improper expense approvals.
- DMV revenue is stagnant, with a projected $6M deficit for FY 2025.

HYBRID COUNCILS CREATE CONCERNS IN CURRENT STRUCTURE

- The Hybrid EMS Council model was established without VDH's decision process or legal review, raising compliance issues with Virginia Code.
- VDH's authority does not cover supervising state employees by non-state boards or managing non-profit councils.
- VDH should reconsider the Hybrid EMS Council model due to non-compliance with decision-making and legal standards.

REGIONAL EMS COUNCILS ARE NO LONGER RELEVANT IN THEIR CURRENT STATE, STRUCTURE, AND FUNCTION

- VDH and OEMS should update the Regional EMS Councils to match the evolving EMS landscape, as the current model is outdated.
- Hybrid and traditional Councils differ in operations and funding, causing inconsistencies in services and $5,619,055 in annual expenditures.
- Inconsistent funding and unclear missions lead EMS agencies to use multiple Councils, highlighting the need for a unified model.

CURRENT CULTURE IS NOT CUSTOMER CENTRIC

- The EMS agencies reported unreliable communication and negative interactions with OEMS, leading to criticism and a perception of enforcement rather than support.
- The lack of responsiveness from OEMS has not only eroded trust but also forced agencies to seek help from Regional EMS Councils, highlighting the crucial role these councils play in providing support.
- Inconsistent OEMS & Council inconsistent messaging confuses and exacerbates the divide between OEMS and EMS providers.

Critical Findings

NO SYSTEMATIC MISSION, EXPECTATIONS, OR CONTROLS

- OEMS is isolated from VDH and EMS Councils, leading to a disconnect from local needs and policy impacts.
- Poor communication has created an adversarial relationship between OEMS and Regional EMS Councils.
- Internal issues, including siloed divisions and unclear policies, result in mismanagement, frustration, and lack of transparency.

MISSION CREEP AND MANDATES HAVE INCREASED COST WITHOUT ADDITIONAL RESOURCES

- OEMS has expanded beyond its core role to include programs like Emergency Medical Dispatching, PSAP accreditation, and Trauma Designation.
- This mission creep has caused funding issues, with no additional funds allocated for these expanded duties, including the $500,000 annual cost for Trauma Center Designation.

EMS ADVISORY BOARD MISSION NEEDS TO EVOLVE AND IS COSTLY IN ITS CURRENT STRUCTURE

- EMSAB lacks functionality and an effective mechanism for system change, and before recent changes, costs exceeded $400,000 annually.
- Minimal turnover and stagnation hinder its ability to drive change.
- EMSAB needs a redefined mission, alignment with OEMS objectives, and authority to propose regulatory changes akin to VDH's relationship with the State Board of Health.

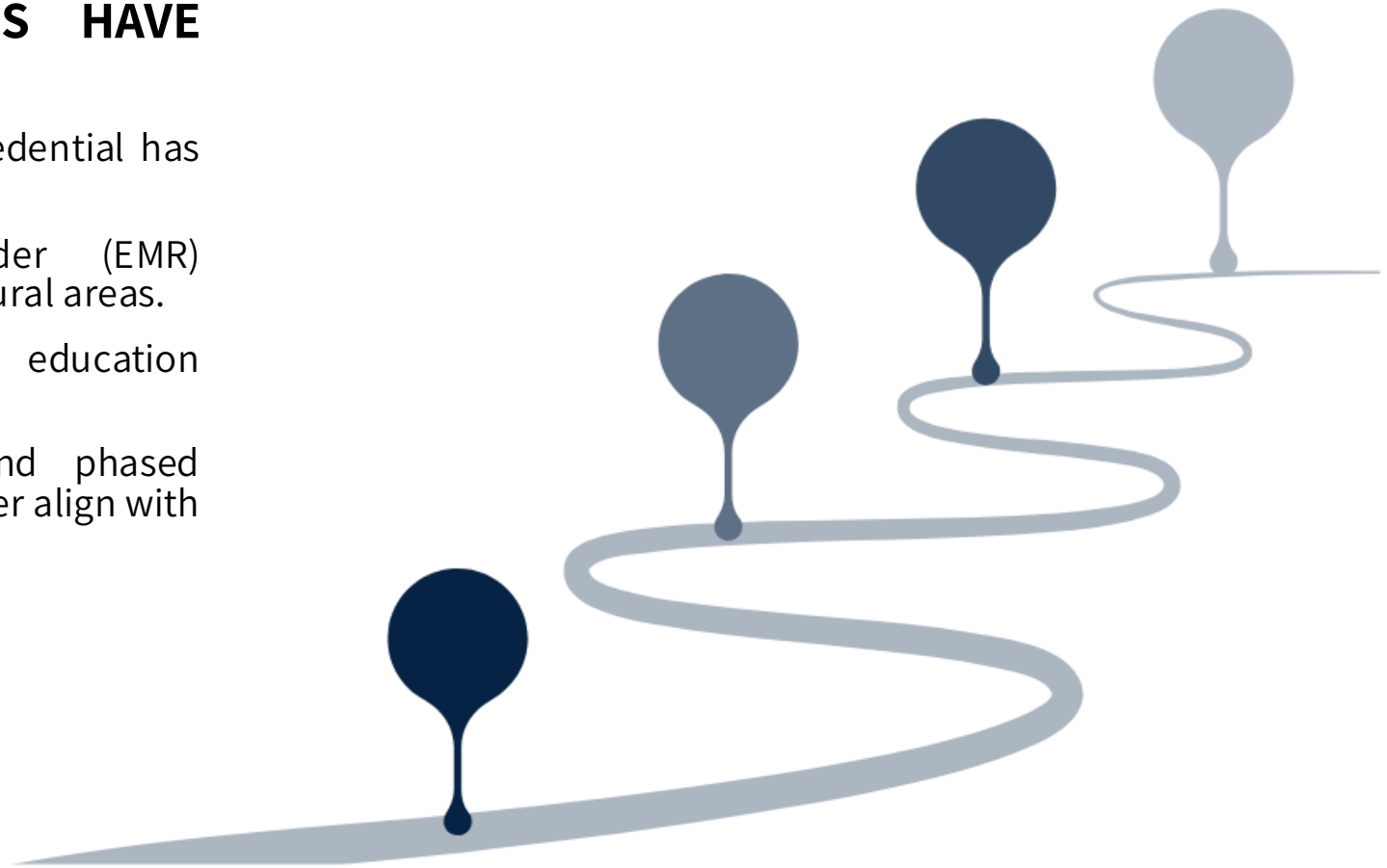
EVOLUTION OF THE VIRGINIA EMS SYSTEM NECESSITATES REVIEW OF THE OEMS ORGANIZATION POSITION WITHIN THE COMMONWEALTH GOVERNMENT HIERARCHY

- Debate exists on the best placement of OEMS within the government to support EMS.
- Challenges within OEMS highlight the need for structural changes.
- Commonwealth should address expanding EMS services, hospital needs, community paramedicine, & public health activities.

Critical Findings

EMS EDUCATION PROGRAM CHANGES HAVE NEGATIVELY IMPACTED THE WORKFORCE

- The introduction of the Education Coordinator credential has complicated certification processes.
- Reduction in Emergency Medical Responder (EMR) certifications has decreased volunteer numbers in rural areas.
- Lack of accountability for underperforming education programs has exacerbated staffing issues.
- These changes require thorough planning and phased implementation to avoid negative impacts and better align with OEMS's mission.



Methodology

FITCH Strategy Overview:

- Provided daily operational support to OEMS and developed future options.
- Initial objectives: Place an experienced leader, support the Interim Director, and guide OEMS towards its future state.

FITCH Approach:

- Engaged directly with OEMS leadership to address issues and operational challenges.
- Interacted with stakeholders (Regional EMS Councils, EMS agencies, state agencies) to gather context.
- Surveyed EMS agencies to assess future needs and provide qualitative insights.

Key Stakeholder Engagement:

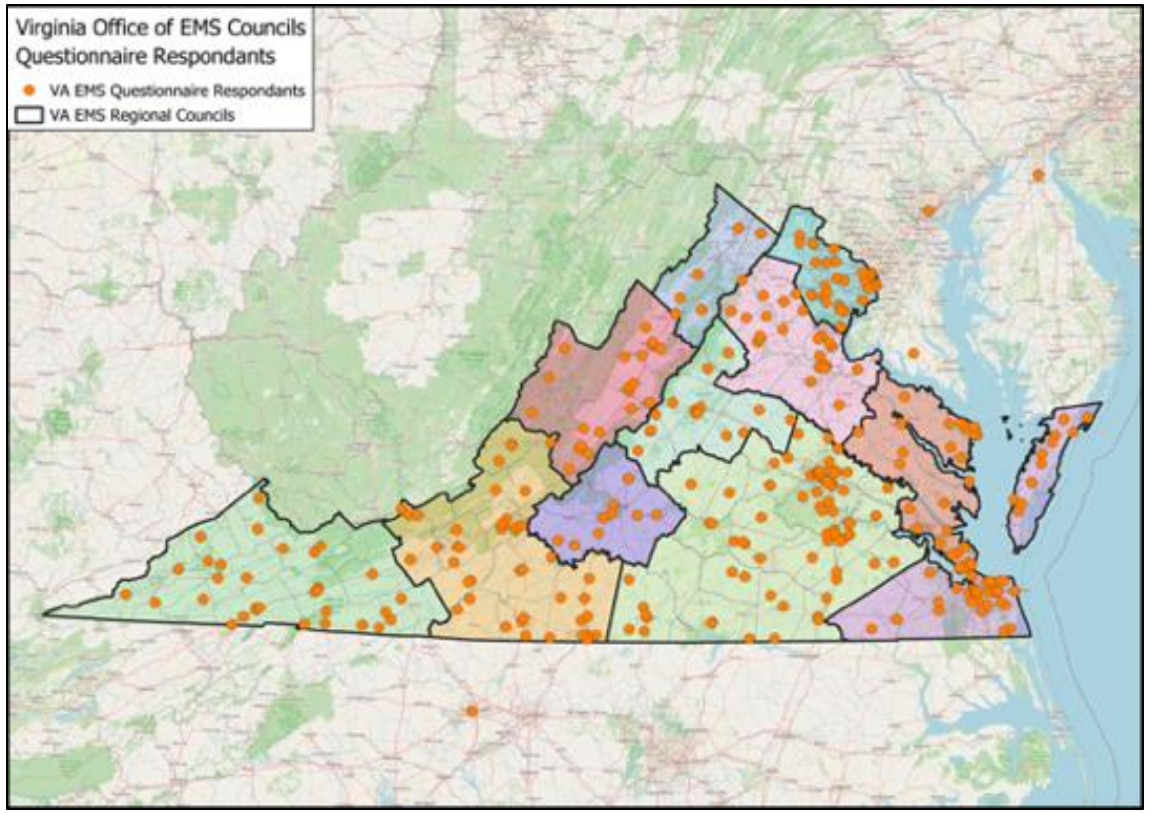
- Engaged with Regional EMS Councils, public and private EMS agencies, state agencies (e.g., Virginia Department of Emergency Management), and associations (e.g., Virginia Association of Volunteer Rescue Squads).
- Consulted with education staff, VDH, government stakeholders, the State Emergency Medical Services Advisory Board, and the EMS Next Steps Workgroup.

Methodology

Survey Findings:

- Administered surveys to EMS agencies and leaders for OEMS and Regional EMS Councils insights.
- Achieved a 95% confidence level with a 3.2% margin of error from 355 responses out of 567 agencies and 441 responses from 940 individual recipients.
- Produced a comprehensive survey report to guide the future design of OEMS.

Survey Respondent Locations:



Office of Emergency Medical Services

FITCH & ASSOCIATES

Establishment and Structure:

- Founded in 1974 to enhance Emergency Medical Services across Virginia.
- Part of the Virginia Department of Health (VDH), led by the Commissioner of Health, reporting to the Secretary of Health and Human Resources.
- Directed by a leader who reports to the Deputy Commissioner of Population Health and Preparedness.

FITCH Review Scope:

- Examined OEMS divisions, Regional EMS Councils, State EMS Advisory Board and committees.
- Reviewed regulatory issues, education, NREMT testing, EMS portal, data availability, and other OEMS functions.
- Assessed EMS agencies and workforce.

OEMS Divisions:

- Regulations and Compliance Enforcement
- Emergency Operations
- Community Health and Technical Resources
- Accreditation, Certification, and Education
- Trauma and Critical Care
- Administration and Fiscal
- EMS System Funding
- Patient Care Informatics and Epidemiology

Regional Councils

FITCH & ASSOCIATES

Origins and Recognition:

- Regional EMS Councils established in the early 1970s; formally recognized by Code of Virginia in 1978 (§ 32.1-111.4:2).
- In 2009, a lobbyist secured a legislative change to fix the number of Regional EMS Councils at 11, a provision included in the budget code since.
- Develop and implement regional EMS systems, including training, medical protocols, and emergency plans (per the 2000 JLARC report).

Regulation and Funding:

- VDH designates and reviews Councils every three years, setting conditions for renewal.
- Councils are 501(c)(3) nonprofits under contract with OEMS, required to match state funding with local funds (local funds not legally mandated).
- Hybrid model: Some Council staff are directly employed by OEMS, creating a dual-reporting structure.

Impact and Dependence:

- Larger urban EMS agencies have reduced reliance on Councils; smaller rural agencies remain dependent for education and training.
- Key reasons for maintaining Councils: Statewide drug box replacement program will expire by 2024 and regional EMS medical protocols.
- Regional EMS medical protocols remain the primary reason for continuing Councils.

Funding Dependence:

- Regional EMS Councils heavily rely on state funds, making them vulnerable to funding reductions.
- The cessation of OEMS payments in 2023 forced many Councils to use reserve funds, pushing some towards closure.

Lack of Legislative Basis:

- No guaranteed financial support as § 32.1-111.4:2 does not provide a legislative funding basis, straining stability and service capacity.

Contractual Agreements:

- "Availability of Funds" clause: OEMS commitments are contingent on available funds.
- The "Cancellation of Agreement" clause: Allows OEMS and contractors to terminate contracts with 60 days' notice, offering flexibility amid funding uncertainties.

Need for Model Evolution:

- Dependence on state funds, payment stoppages, and lack of funding mandate highlights the need for a revised council model.

State EMS Advisory Board

FITCH & ASSOCIATES

Establishment and Structure:

- Created under Code of Virginia, § 32.1-111.4:1.
- Comprised of 28 members appointed by the Governor, including representatives from Regional EMS Councils, medical associations, and EMS organizations.
- Advises the State Board of Health on the statewide emergency medical care system.

Roles and Responsibilities:

- Reviews and recommends changes to the statewide Emergency Medical Services Plan.
- Examines annual financial reports of the Virginia Association of Volunteer Rescue Squads.
- Reviews status reports on the Rescue Squads Assistance Fund, regional EMS Councils, and emergency medical services vehicles.

Committee Structure and Costs:

- 21 committees provide stakeholder input.
- High hosting costs previously exceeding $400,000 annually reduced to approximately $150,000 in FY 2024 through cost containment strategies.

Challenges:

- Large size and numerous committees lead to inefficiencies and difficulties in decision-making.
- Perceived limited impact on improving OEMS and EMS system.
- Lack of transparency: Meetings not recorded or available online and delays in posting minutes.
- Only an advisory board and reminded as such form OEMS.
- In-person meetings in Richmond limit participation and inclusivity.

Improvement Opportunities:

- Review the size and scope of the EMSAB, (later in Decision Points).
- Update format and communication strategies.
- Increase transparency and accessibility.
- Ensure equal engagement opportunities for all EMS agencies and providers.

Changes in EMS Agencies, Volume, and Workforce

Decrease in EMS Agencies (2019-Present):

- Overall decrease: -6.45% (38 fewer agencies).
- Community and non-profit agencies: -15.29% (39 fewer agencies).
- Government non-fire and fire department agencies: +6.9% (7 more agencies).
- Hospital-based EMS agencies: Doubled to +8 (4 new agencies)

Increase in EMS Call Volume:

- 20.88% increase since 2017 (295,162 more calls).

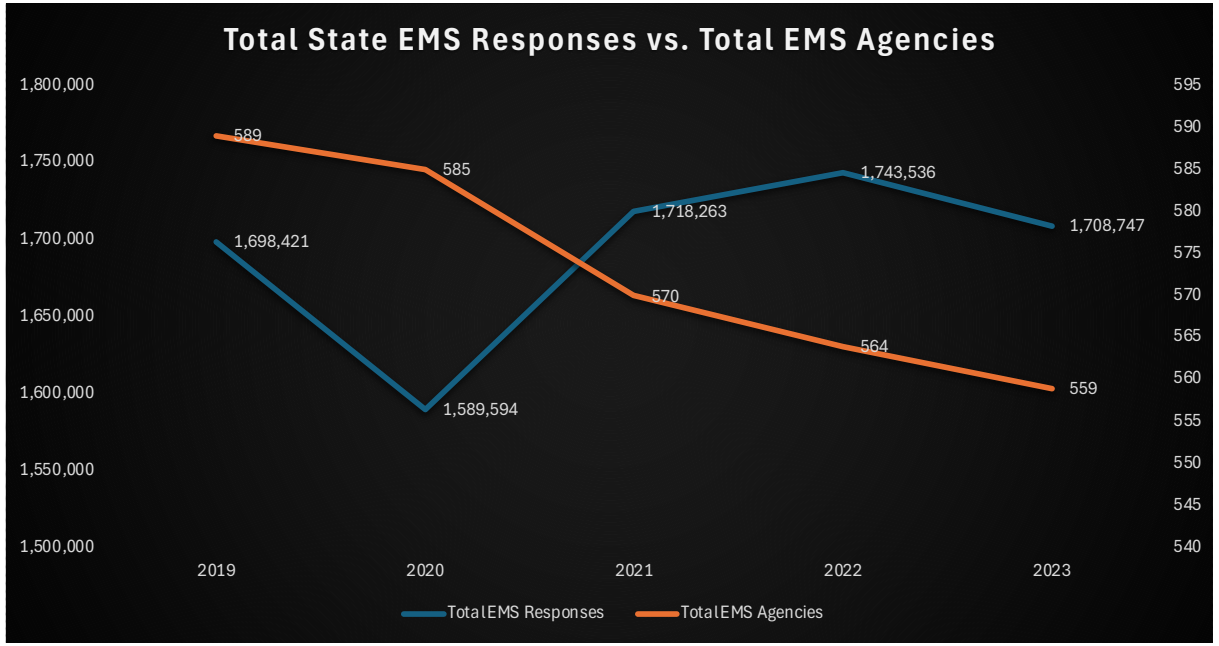
Growth in Provider Workforce:

- 7.9% increase (2,774 additional providers).

Reduction in Emergency Medical Responder (EMR) Certifications:

- 43.9% reduction (340 fewer certifications).
- Likely reflects a decline in volunteerism.

EMS Responses Vs. Total EMS Agencies YOY Change



Limitation: OEMS does not track active vs. inactive providers, affecting analysis. FITCH lacked raw data; aggregated data showed a 1.2% discrepancy.

Financial Review
Overview

Mid-2023 Financial Issues:

- VDH and OEMS identified $33M in financial discrepancies due to overspending, poor management, and fraud.
- Funding was frozen for all non-essential obligations, affecting programs like RSAF and RTL.
- EMS Next Steps Workgroup formed to prioritize and manage OEMS payments.

Investigation and Support:

- Office of Internal Audit audited OEMS financial records.
- VDH appointed a new Business Manager to stabilize finances.
- Leadership structure in OEMS remained unchanged at the time.

Budget and Funding Challenges:

- Governor Youngkin and the Legislature allocated $33M over two years to address debts.
- FITCH initially projected a $2.4M annually overspent; the 2025 review estimates a $6M annually overspent.
- Without significant changes, the $33M will be insufficient beyond the two years.

Financial Review
Identified Key Causes

Years of Minimal VDH Oversight:

- OEMS operated independently with minimal VDH oversight, leading to unchecked spending and poor financial decisions.
- Lack of focus on fund reallocation, checks and balances, and expenditure scrutiny.
- Minimal improvement from previous audits and neglected corrective actions compromised OEMS's financial integrity.

Lack of Internal Policies and Financial Controls:

- Serious deficiencies in financial governance were identified, including absent internal guidelines and poor adherence to procurement standards.
- Contracts, such as the $9M ESO contract, bypassed procurement policies.
- Concentrated spending approvals and mismatched invoices in accounting systems.

Challenges with Manual Financial Tracking:

- Reliance on Microsoft Excel spreadsheets for financial tracking, causing transparency issues.
- Manual tracking led to unpaid invoices and increased risk of error and fraud.
- VDH and OEMS now meet daily to review finances; as of the report, invoice tracking is current.

Use of Regional Councils to Circumvent Procurement Policies:

- EMS Councils used to bypass Commonwealth procurement policies.
- Contracts with Councils were amended to handle procurement, including items like ESO software and IT security.
- Avoidance of formal oversight led to misallocation of funds.

Escalating Costs of the Virginia EMS Symposium:

- Virginia’s EMS Symposium costs rose to over $1.6 in 2022, primarily funded by the Western EMS Council.
- The symposium was canceled in 2023 due to financial challenges, but local symposiums and virtual training emerged as alternatives.

Financial Review
Identified Key Causes

FITCH & ASSOCIATES

Funding to Struggling Regional Councils by OEMS:

- **Establishment of Regional EMS Councils:**
  - Created as independent bodies to address local EMS needs with self-reliant financial resources.
- **Challenges Due to Funding Reductions:**
  - Funding cuts from EMS agencies, local communities, and supportive programs impacted service quality.
- **OEMS Financial Support, Hybrid Funding, and Disparities:**
  - Annual allocations range from $229,273 to $725,309 per Council based on needs and operational scale.
  - Traditional Councils receive base funding; Hybrid Councils receive additional personnel and infrastructure funding.
- **Special Projects Excluded:**
  - Funding excludes "pass-through" projects like ESO, Symposium, Regional IT, and Scholarships.
- **2019 OEMS Partnership with Four Councils:**
  - OEMS collaboration to support financially struggling Councils with staffing, educational funding, and infrastructure.

- **FITCH Recommendations for Fiscal Accountability:**
  - Future Commonwealth allocations should include provisions for audits.
  - Annual internal financial audits are recommended, with findings submitted to OEMS.

Council Type	EMS Council	Salary $ w/ Benefits	Base Contract Annual	Annual Contract Addons	Total Annual Cost
Hybrid	Blue Ridge	$ 355,591	$ 250,000		***$ 605,591***
Hybrid	Central Shenandoah	$ 475,309	$ 250,000		***$ 725,309***
Hybrid	Rappahannock	$ 363,414	$ 250,000		***$ 613,414***
Hybrid	Southwest Virginia	$ 126,116	$ 250,000		***$ 376,116***
Traditional	Lord Fairfax		$ 272,121	$ 48,000	***$ 320,121***
Traditional	Northern Virginia		$ 346,537	$ 174,000	***$ 520,537***
Traditional	Old Dominion		$ 483,667		***$ 483,667***
Traditional	Peninsulas		$ 457,952	$ 99,383	***$ 557,335***
Traditional	Tidewater		$ 476,775	$ 56,298	***$ 533,073***
Traditional	Thomas Jefferson		$ 229,273		***$ 229,273***
Traditional	Western Virginia		$ 625,018	$ 29,600	***$ 654,618***
	Totals	***$ 1,320,430***	***$ 3,891,343***	***$ 407,281***	***$ 5,619,054***

Financial Review
Identified Key Causes

Unfunded Mandates and Financial Challenges in OEMS

- Program Expansion Without Funding
- OEMS expanded programs (Trauma Fund, E911, CHaTR, etc.) without securing long-term funding, resulting in financial strain.
- Example: Trauma Fund Management now costs $500,000 annually with no budget increase.

EMS Advisory Board Expansion

- EMSAB expanded to 28 members across 21 subcommittees.
- Meeting costs peaked at $400,000 in 2023, later reduced to $150,000 with cost-saving measures.

Costly Facilities and Fleet

- OEMS spends over $500,000 annually on office space and maintains a large fleet, including ATVs.
- VDH should consider office relocation and downsizing the fleet for cost savings.

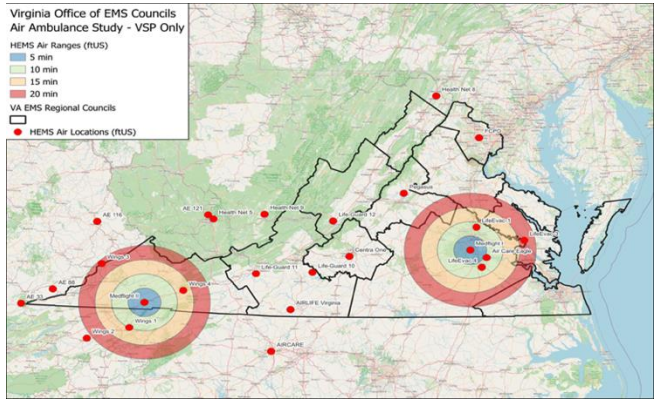
Fixed Revenue Mechanism

- "Four-for-Life" program funding is fixed at $6.25 per vehicle registration.
- Funding does not adjust for inflation, leading to misalignment with rising operational costs.

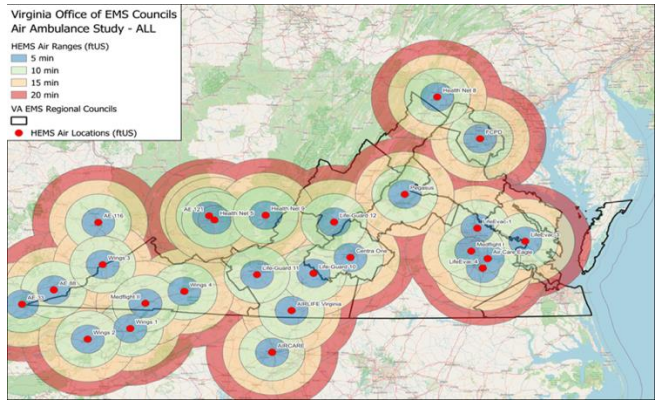
Virginia State Police Med-Flight Program

- OEMS allocates $3.1M annually to Med-Flight, which will increase in FY2026 by an additional 1.2M mainly from Hospitals.
- Funds sourced from DMV, RSAF, and trauma center grants, impacting EMS agency grants.
- Operates as a first-right-of-refusal service but is not always the closest provider due to outdated response protocols and differing billing practices.
- A reevaluation of funding allocation and service overlap is needed.

MedFlight Air Ambulance Locations



Air Ambulance Locations Across the State



Financial Review
Budgetary Actuals and Associated Expenditures

Financial Documentation Issues

- FITCH's evaluation faced challenges due to insufficient documentation, neglected accounts payable, and poor record-keeping at OEMS.

Misclassification of Expenses

- Regional EMS Councils often categorized purchases as "pass-throughs" instead of OEMS expenses, complicating accurate financial assessment.
- $5.619M of pass-through funding should be counted as part of OEMS operational costs, raising total costs to $13.4M, not $7.8M.

Budget Deficit

- OEMS operates with an annual budget of $56M.
- Annual expenses include $7.8M in salaries, leading to an initial estimated $2.4M deficit.
- Internal projections $6M is expected for FY 2025.

Fixed and Inadequate Revenues

- Primary revenue from DMV registration fees remains flat, with no adjustments for inflation, new programs, or cost-of-living increases.
- A more adaptive funding model is needed to sustain operations.

Expand Funding for Agencies and Workforce Development

- There is an urgent need for a more robust financial strategy to support EMS agencies and workforce development, especially in regions facing EMT shortages.
- Nationwide financial strain impacts EMS services, leading to closures or reduced coverage.
- EMS workforce shortages are critical in Virginia, with a 27% reduction in EMTs in the Southwestern region.
- RSAF should expand to include private and for-profit agencies to address funding gaps and equipment needs.

Recent Interventions, Short and Long-Term Recommendations

FITCH
& ASSOCIATES

Recent Interventions by VDH and FITCH Regarding OEMS Financial Oversight

FITCH & ASSOCIATES

Introduction of Daily and Monthly Financial Reviews

- Continuous monitoring and accountability to detect discrepancies early.
- Greater transparency and fiscal discipline.

Centralization of Contracts

- Contracts previously managed by Regional EMS Councils are now transferred back to OEMS or discontinued.
- Streamlined operations under OEMS control.

Restructuring Leadership

- Previous structure: OEMS Director had 11 direct reports, causing inefficiency.
- New structure: 3 Deputy Directors added, improving oversight, communication, and accountability.

Strengthened Financial Integrity

- Comprehensive policies, workflows, and control systems introduced.
- A dedicated business manager was appointed to conduct fiscal analysis and ongoing operations.
- Measures set a foundation for sustainable practices and effective resource management.

Optimization of Financial Operations

- The new business manager (appointed April 2024) now reports to the Deputy Director.
- Focus on optimizing grant funding processes and strengthening financial management.

Renegotiation of ESO Contract

- $9M ESO contract is now managed directly by OEMS and is in the process of renegotiation.
- Ensures better alignment with organizational goals and future sustainment.

Decision Point #1

OEMS Positioning for Strong Oversight

- **Remain within the Virginia Department of Health (VDH)** – requires no legislative action and supports the evolving role of EMS within the broader healthcare continuum

- **Establishing a Department within the Department of Public Safety** – requires legislative action to transition OEMS from VDH to a new Department of EMS and this alignment could streamline coordination and oversight.

- **Merge with the Virginia Department of Fire Programs (VDFP) creating a new Virginia Department of EMS & Fire Programs** – requires legislative action to transition OEMS to a new Department and implementing this would likely be complex, time-consuming, and require a significant review of legal and financial implications.

- **Dissolve OEMS completely, parsing the various regulatory requirements to other agencies** – requires legislative action to dissolve OEMS and reallocate OEMS functions to other departments. This reorganization could cause significant confusion within the EMS community.

Decision Point #2

Regional Structure and Support

- **Reducing the current 11 Regional Councils to 7** – Budget language must be stuck that currently requires no less than the 11 existing councils. This would allow OEMS to reduce the number of Regional EMS Councils from 11 to seven and align these with existing public safety agencies. Further, co-locating the restructured EMS regions with other public safety entities would streamline operations and enhance coordination.

- **Proposed organizational structure changes** – requires legislative action to redesign OEMS to include seven regions and a new structure.

    - **Option 1 –** Decentralized Structure, More Regional Support, All State Staff – leverages local expertise to address community-specific challenges, ensures those closest to the issues are involved in solutions, allows for OEMS to align with its core mission.

    - **Option 2 –** Integrated model, Enhanced Local Autonomy, Non-State Staff - integrates centralized oversight with regional autonomy, balancing overarching standards with local responsiveness. The state would maintain central authority for compliance and standards, while the seven Regional EMS Councils gain enhanced autonomy to address local needs.

Decision Point #3

Policy and Regulatory Process Review

Option: Introduce an OEMS formal approval process for policy or guideline modifications.

This would involve:

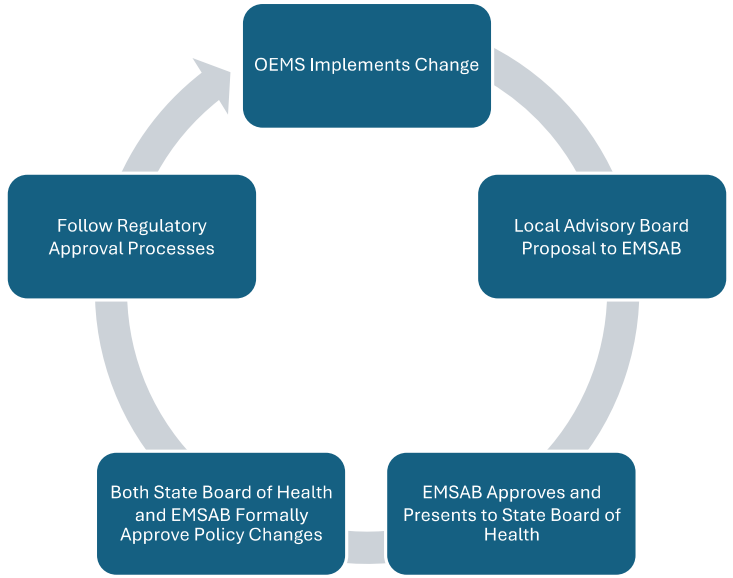
- Utilizing VDH's current approval processes through the Commissioner's office for policy and guidance document modifications.
- OEMS following the public comment process established in the Administrative Process Act for all OEMS policy guidance documents that have been modified and/or revised.
- Securing approval from the EMS Advisory Board for guidelines and policy adjustments, and if process requires approval from VDH and the State Board of Health prior to final adoption of the policy/guidance document.
- Documenting the date and time of changes and communicating them effectively to relevant agencies and stakeholders.

Adoption of this option will improve transparency, stakeholder engagement, and compliance with legislative requirements.

Decision Point #4

Community Input and EMS Oversight Enhancements

- Grant EMSAB authority to propose regulations for State Board of Health consideration.
- Enable collaboration between EMSAB, local advisory boards, and Regions.
- EMSAB to manage its own administrative tasks independently.
- Reassess EMSAB size and subcommittees for better representation and efficiency.



Decision Point #5

Education, EMS Portal, and Departmental Functions

- OEMS should revise the certification for education coordinators, expand testing access, accept out-of-state CE credits, improve the EMS Portal, and hire key positions in Regulation and Compliance Enforcement – requires no legislative changes.

- OEMS must create a succession plan with the ACE division as it poses a critical risk to the EMS system – requires no legislative action.

- OEMS should enhance the financial transparency in DMV revenue allocation, expand the RSAF Grant Program, implement a funding escalator to address rising costs, and ensure equitable distribution of funds based on regional demographics – requires no legislative changes.

- VDH should reallocate the epidemiologist and replace them with a data analyst focused on patient care informatics, which would enhance OEMS's data analysis and care outcomes – requires no legislative changes.

Financial Impact

- FITCH conducted an extensive analysis to address OEMS's overspending and identify cost-saving measures.
  - The analysis reviewed current personnel costs and other expenses to find effective expenditure reductions.
  - FITCH's review revealed total expenditures of $5,784,204 for 49 positions, including salary and fringe benefits.

- Based on this review, FITCH proposed three staffing options to manage and reduce costs.
  - Option 1: Small Central Office with Seven Regional Offices.
  - Option 2: Small Central Office with Seven Regional Offices, excluding the administrative assistant.
  - Option 3: Small Central Office with Seven Regional Offices, excluding the administrative assistant, emergency operations staff, and emergency medical dispatch functions.

- The analysis aimed to identify potential cost savings through staffing adjustments and reductions in program expenses.

Financial Impact

FITCH & ASSOCIATES

Staffing Options and Cost Reductions

Option 1 - Small Central Office and Seven Regional Offices		Option 2 - Small Central Office and Seven Regional Offices (No AA)		Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)	
Staffing Plan		**Staffing Plan**		**Staffing Plan**	
1 - OEMS Director		1 - OEMS Director		1 - OEMS Director	
2 - Regional Coordinators		2 - Regional Coordinators		2 - Regional Coordinators	
7 - Regional Office Director		7 - Regional Office Director		7 - Regional Office Director	
7 - Program Representative		7 - Program Representative		7 - Program Representative	
2 - Division Directors Reg & Comp, ACE		2 - Division Directors Reg & Comp, ACE		2 - Division Directors Reg & Comp, ACE	
5 - Admin Assistants Shared in Regions		1- Admin Assistant		3 - EOPs and EMD	
1 - Business Manager		1 - Business Manager		1 - Business Manager	
3 - Data/IT, Portal		3 - Data/IT, Portal		3 - Data/IT, Portal	
2 - Certification Staff (cards, etc.)		2 - Certification Staff (cards, etc.)		2 - Certification Staff (cards, etc.)	
7 - Regional Educators		7 - Regional Educators		7 - Regional Educators	
1 - RSAF/RTL Manager		1 - RSAF/RTL Manager		1 - RSAF/RTL Manager	
1 - Fiscal Techs		1 - Fiscal Techs		1 - Fiscal Techs	
Location	**Total Staff**	**Location**	**Total Staff**	**Location**	**Total Staff**
Central Office	18	Central Office	18	Central Office	18
Regional	21	Regional	17	Regional	19
Total	***39***	***Total***	***35***	***Total***	***37***

Models for Consideration	Current		Proposed		Differences	
	Count of FTE's	Sum of Total Personal Cost of Employees	FTE Count	Cost (FTE*Average Personnel Cost by Employee)	FTE Count Change	Cost (FTE*Average Personnel Cost by Employee)
Option 1 - Small Central Office and Seven Regional Offices	49	$ 5,784,204	40	$ 3,889,964	-9	$ (1,894,240)
Option 2 - Small Central Office and Seven Regional Offices (No AA)	49	$ 5,784,204	35	$ 3,502,079	-14	$ (2,282,125)
Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)	49	$ 5,784,204	38	$ 3,779,453	-11	$ (2,004,750)

Other Expenses Cost Reductions

Item	Amount
Reduction to Seven Councils	$ 1,517,873
Med-Flight Reduction (Med-Flight and RASF Grant)	$ 3,074,262
Office, Leases and Maintenance Reduction	$ 525,000
Trauma Site Visit Honorarium	$ 50,000
ESO Reduction (no ePCR)	$ 4,000,000
Expense Reduction from all Categories	$ 9,167,135
Expense Reduction from all Categories minus Medflight	$ 6,092,873

Financial Impact

FITCH & ASSOCIATES

	Option 1 - Small Central Office and Seven Regional Offices	Option 2 - Small Central Office and Seven Regional Offices (No AA)	Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)
Staffing Cost Reduction	$ (1,894,240)	$ (2,282,125)	$ (2,004,750)
Total Savings Without Medflight Reduction	$ (6,092,873)	$ (6,092,873)	$ (6,092,873)
Reduction of Cost Without Medflight Reduction	***$ (7,987,113)***	***$ (8,374,997)***	***$ (8,097,623)***

	Option 1 - Small Central Office and Seven Regional Offices	Option 2 - Small Central Office and Seven Regional Offices (No AA)	Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)
Staffing Cost Reduction	$ (1,894,240)	$ (2,282,125)	$ (2,004,750)
Total Savings With Medflight Reduction	$ (9,167,135)	$ (9,167,135)	$ (9,167,135)
Reduction of Cost With Medflight Reduction	***$ (11,061,375)***	***$ (11,449,259)***	***$ (11,171,885)***

Minimum Reduction in Costs	***$ (7,987,113)***
Maximum Reduction in Costs	***$ (11,449,259)***

Conclusion

- Outlined a strategic roadmap for the Commonwealth, emphasizing a comprehensive and incremental approach to address complex challenges in oversight, regional support, policy revision, community involvement, education, and emergency services.
- The recommendations include a range of options for legislative, regulatory, structural, employee, and funding changes, highlighting the need for a flexible and adaptive strategy.
- The plan's focus on industry best practices and recommendations for immediate and midterm strategic actions ensure it is robust and forward-thinking.
- By implementing a carefully phased strategy, the Commonwealth can navigate its challenges with agility and achieve positive governance and community service outcomes.
- This methodology promotes ongoing improvement and responsiveness, positioning the Commonwealth for sustained success and enhanced service delivery.