

REPORT TO THE TWENTY-FIFTH LEGISLATURE  
STATE OF HAWAII  
2009

PURSUANT TO PART III, SECTION 32, 33, 34, 36, 37 OF ACT 213, SESSION LAWS OF HAWAII 2007, REQUIRING THE DEPARTMENT OF HEALTH TO SUBMIT A REPORT THAT BREAKS DOWN EMERGENCY AMBULANCE SERVICES BY CONTRACTS, COST CATEGORIES, AND EXPENDITURE AMOUNTS; AND REPORT EXPENDITURES FOR AN EMERGENCY MEDICAL TECHNICIAN TRAINING STIPEND PROGRAM

PREPARED BY:  
STATE OF HAWAII  
DEPARTMENT OF HEALTH  
October 2008

## EXECUTIVE SUMMARY

In accordance with Part III, Section 32, 33, 34, 36, 37 of Act 213, SLH 2007, requiring the Department of Health (DOH) to submit a report that breaks down emergency ambulance services by contracts, cost categories, and expenditure amounts; and report expenditures for the emergency medical technician training stipend program, the DOH submits this report to the 2009 Legislature. This report outlines the budget and expenditures for contracting agencies providing emergency ambulance services on Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai; and expenditures for the emergency medical technician training stipend program.

The DOH contracts with the City and County of Honolulu for emergency ambulance services on the island of Oahu. The total contract budget was \$30,961,976 in fiscal year 2008, comprised of \$29,256,979 in general funds (ACT 035, SLH 2008 added \$507,539) and \$1,704,997 in emergency medical services special funds (ACT 035, SLH 2008 added \$1,300,000). The City and County of Honolulu has submitted an expenditure report indicating expenditures of \$26,376,266.80 and unliquidated obligations of \$2,472,157.27 for FY 08 (Attachment 1). They anticipate submitting a final invoice for FY 08 by the end of March 2009. The total contract budget is \$32,273,154 in fiscal year 2009, comprised of \$31,457,372 in general funds and \$815,782 in emergency medical services special funds. The City and County of Honolulu has submitted an expenditure report for the period July through October 2008 that report expenditures of \$8,815,085.43 (Attachment 5).

The DOH contracts with the County of Hawaii for emergency ambulance services on the island of Hawaii. The total contract budget was \$12,681,694 in fiscal year 2008, comprised of \$12,078,906 in general funds and \$602,788 in emergency medical services special funds. The County of Hawaii has submitted an expenditure report indicating expenditures of \$12,704,825.62 (Attachment 2). The State did not pay the \$23,131.62 expended over the approved budget. The total contract budget is \$13,161,479 in fiscal year 2009, comprised of \$11,712,456 in general funds and \$1,449,023 in emergency medical services special funds. The County of Hawaii has submitted monthly invoices and expenditure reports for the periods July through October 2008 that report expenditures of \$4,068,490.47 (Attachment 6).

The DOH contracts with International Life Support, Inc. dba American Medical Response (AMR) for emergency ambulance services on the island of Kauai. The total contract budget was \$4,601,628 in fiscal year 2008, comprised of \$4,243,484 in general funds and \$358,144 in emergency medical services special funds. AMR has submitted an expenditure report indicating expenditures of \$4,601,627.99 for FY 08 (Attachment 3). The total contract budget is \$4,768,204 in fiscal year 2009, comprised of \$3,957,523 in general funds and \$810,681 in emergency medical services special funds. American Medical Response has submitted monthly invoices and expenditure reports for the periods July through October 2008 that report expenditures of \$1,589,401.34 (Attachment 7).

The DOH contracts with International Life Support, Inc. dba American Medical Response (AMR) for emergency ambulance services on the islands of Maui, Molokai, and Lanai. The total contract budget was \$11,598,172 in fiscal year 2008, comprised of \$8,525,727 in general funds, \$2,400,230 in emergency medical services special funds, and \$672,215 in trust funds (received from the County of Maui). AMR has submitted an expenditure report indicating expenditures of \$10,948,760.01 for FY 08 (Attachment 4). AMR indicates a remaining balance of \$649,411.99 available for use toward the purchase of a replacement helicopter. The total contract budget is \$12,063,554 in fiscal year 2009, comprised of \$8,584,142 in general funds, \$2,807,197 in emergency medical services special funds and \$672,215 in trust funds. American Medical Response has submitted monthly invoices and expenditure reports for the periods July through October 2008 that report expenditures of \$3,796,055.36 (Attachment 8).

An emergency medical technician training stipend program was established through a Memorandum of Understanding between the DOH and Kapiolani Community College – University of Hawaii (KCC) with an initial amount of \$300,000 in general funds provided by the 2006 Legislature. The funds appropriated in Section 37 provide stipends for ten (10) students, each receiving \$2000 per month. The expenditures for July 1, 2007 to June 30, 2008 were \$182,000.

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SUBMIT A REPORT THAT BREAKS DOWN EMERGENCY AMBULANCE  
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In accordance with Part III, Section 32, 33, 34, 36, 37 of Act 213, SLH 2007, requiring the Department of Health (DOH) to submit a report that breaks down emergency ambulance services by contracts, cost categories, and expenditure amounts; and report expenditures for an emergency medical technician training stipend program, the DOH submits this report to the 2008 Legislature. This report outlines the budget and expenditures for contracting agencies providing emergency ambulance services on Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai; and expenditures for the emergency medical technician training stipend program.

Act 213, SLH 2007 directs the department as follows:

SECTION 32. Provided that of the general fund appropriation for emergency medical services and injury prevention system (HTH 730), the sum of \$4,089,269 or so much thereof as may be necessary for fiscal year 2007-2008 and the sum of \$3,762,622 or so much thereof as may be necessary for fiscal year 2008-2009 shall be expended for emergency medical service contracts; provided further that the department shall prepare a detailed report to include but not be limited to a detailed financial report from each county contract to be submitted to the department of health including a detailed breakdown of all expenditures and costs incurred; and provided further that the department shall submit the report to the legislature no later than twenty days prior to the convening of the 2008 and 2009 regular sessions.

The breakdown of the sum of \$4,089,269 and \$3,762,622 is as follows:

<b>County</b>	<b>Fiscal Year 2008</b>	<b>Fiscal Year 2009</b>
City and County of Honolulu	\$2,212,408	\$2,181,807
County of Hawaii	\$685,836	\$617,336
County of Kauai	\$358,246	\$72,285
County of Maui	\$832,779	\$891,194
Total	\$4,089,269	\$3,762,622

It is noted that the total contract amounts and reported expenditures for emergency ambulance services by counties for fiscal year 2008 are as follows:

<b>Provider</b>	<b>County</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Trust Funds</b>	<b>Total</b>	<b>Expenditures FY 2008</b>
Honolulu Emergency Services Department, City and County of Honolulu	City and County of Honolulu	\$29,256,979	\$1,704,997	\$0	\$30,961,976	\$26,376,266.80 A final invoice has not been submitted. (attachment 1).
County of Hawaii Fire Department	County of Hawaii	\$12,078,906	\$602,788	\$0	\$12,681,694	\$12,704,825.62 (attachment 2)
International Life Support, Inc. dba American Medical Response	County of Kauai	\$4,243,484	\$358,144	\$0	\$4,601,628	\$4,601,627.99 (attachment 3)
International Life Support, Inc. dba American Medical Response	County of Maui	\$8,525,727	\$2,400,230	\$672,215	\$11,598,172	\$10,948,760.01 (attachment 4)

As indicated in the table above, the City and County of Honolulu has not yet submitted a final invoice and report of expenditures for emergency ambulance services on the island of Oahu. The City and County of Honolulu report, as of June 30, 2008 indicates \$2,472,157.27 in unliquidated obligations. The City and County of Honolulu anticipates submitting a final invoice and expenditure report for FY08 to the state by the end of March 2009.

It is noted that the total contract amounts and reported expenditures for emergency ambulance services by counties for fiscal year 2009 are as follows:

<b>Provider</b>	<b>County</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Trust Funds</b>	<b>Total</b>	<b>Expenditures July-October 2008</b>
Honolulu Emergency Services Department, City and County of Honolulu	City and County of Honolulu	\$31,457,372	\$815,782	\$0	\$32,273,154	\$8,815,085.43 (attachment 5)
County of Hawaii Fire Department	County of Hawaii	\$11,712,456	\$1,449,023	\$0	\$13,161,479	\$4,068,490.47 (attachment 6)
International Life Support, Inc. dba American Medical Response	County of Kauai	\$3,957,523	\$810,681	\$0	\$4,768,204	\$1,589,401.34 (attachment 7)
International Life Support, Inc. dba American Medical Response	County of Maui	\$8,584,142	\$2,807,197	\$672,215	\$12,063,554	\$3,796,055.36 (attachment 8)

Act 213, 2007 further directs the department as follows:

SECTION 33. Provided that of the general fund appropriation for emergency medical services and injury prevention system (HTH 730), the sum of \$388,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the sum of \$397,000 or so much thereof as may be necessary for fiscal year 2008-2009 shall be expended by the department of health solely for the purpose of purchasing two ambulances and two lifepak 12 defibrillators; provided further that these funds shall not be redirected to pay for any indirect or emergency medical services personnel costs; provided further that any unexpended funds shall lapse into the general fund; and provided further that the program shall prepare and submit an expenditure report to the legislature to account for the ambulances and equipment purchases no later than twenty days prior to the convening of the 2008 and 2009 regular sessions.

DOH contracted with the City and County of Honolulu Emergency Services Department to provide emergency ambulance service on Oahu and included \$388,000 in their contract to purchase two (2) ambulances and two (2) defibrillators for fiscal year 2008.

City and County of Honolulu Ambulance & Defibrillator Purchase FY 2008

The City and County of Honolulu’s original budget for nine (9) ambulances was \$1,530,000 for fiscal year 2008. They originally budgeted \$170,000 as the cost per ambulance; however, their reported actual cost is approximately \$174,000 per ambulance. Therefore, their revised budget for ambulances was \$1,566,000. They purchased nine (9) ambulances of which one (1) was for the Central Oahu Unit (District 22, Waipio) and eight (8) were replacements. Two (2) of the nine (9) ambulances were purchased in response to the proviso in Section 33. The City and County of Honolulu expenditure report, as of June 30, 2008 indicates \$1,627,391.08 in unliquidated obligations for motor vehicle purchases (Attachment 1). The City and County of Honolulu anticipates submitting a final invoice and expenditure report for FY08 to the state by the end of January 2009.

The City and County of Honolulu’s total budget for Lifepak 12 Defibrillators was \$408,000 for fiscal year 2008. They purchased seventeen (17) Lifepak 12 Defibrillators. Two (2) of the seventeen (17) Lifepak 12 Defibrillators were purchased in response to the proviso in Section 33. The City and County of Honolulu expenditure report, as of June 30, 2008 indicates \$466,059.36 in unliquidated obligations for equipment purchases (Attachment 1). The City and County of Honolulu anticipates submitting a final invoice and expenditure report for FY08 to the state by the end of January 2009.

**FISCAL YEAR 2008**

	No. of	Cost Per	Total	Total	Required Expenditure	Anticipated Date of
Description:	Items:	Item:	Costs:	Budget:	Section 33	Expenditure:
Ambulances	9	\$174,000	\$1,566,000	\$1,566,000	\$340,000	December 2008
Lifepak 12 Defibrillators	17	\$24,000	\$408,000	\$408,000	\$48,000	December 2008
<b>TOTAL:</b>					<b>\$388,000</b>	

City and County of Honolulu Ambulance & Defibrillator Purchase FY 2009

The City and County of Honolulu’s total budget for ambulances for fiscal year 2009 is \$1,520,000. They will purchase eight (8) ambulances at an anticipated price per unit of \$190,000. Two (2) ambulances will be purchased in response to the proviso in Section 33. They will begin the procurement process in the beginning of fiscal year 2009 and anticipate the expenditure date to be June 2009.

The City and County of Honolulu’s total budget for Lifepak 12 Defibrillators for fiscal year 2009 is \$182,000. They will purchase seven (7) Lifepak 12 Defibrillators at an anticipated price per unit of \$26,000. Two (2) Lifepak 12 Defibrillators will be purchased in response to the proviso

in Section 33. They anticipate the Lifepak 12 Defibrillators to be on a master agreement, thereby shortening the procurement process. They anticipate the expenditure date to be February 2009.

**FISCAL YEAR 2009**

	No. of	Cost Per	Total	Total	Required Expenditure	Anticipated Date of
Description:	Items:	Item:	Costs:	Budget:	Section 33	Expenditure:
Ambulances	8	\$190,000	\$1,520,000	\$1,520,000	\$345,000	June 2009
Lifepak 12 Defibrillators	7	\$26,000	\$182,000	\$182,000	\$52,000	Feb 2009
<b>TOTAL:</b>					<b>\$397,000</b>	

Maui County FY 2008 and FY 2009

Act 213, SLH 2007 further directs the department as follows:

SECTION 34. Provided that of the general fund appropriation for emergency medical services and injury prevention system (HTH 730), the sum of \$649,412 or so much thereof as may be necessary for fiscal year 2007-2008 and the sum of \$675,388 or so much thereof as may be necessary for fiscal year 2008-2009 shall be expended by the department of health to purchase a replacement helicopter for the county of Maui aeromedical emergency medical services program; provided further that the county of Maui shall not be responsible for any cost associated with the purchase of the replacement helicopter; provided further that the funds shall not be used for any other purpose; provided further that these funds shall not be redirected to pay for any indirect or personnel costs; provided further that any unexpended funds shall lapse to the general fund; and provided further that the department shall submit an expenditure report to the legislature to account for the use of these funds no later than twenty days prior to the convening of the 2008 and 2009 regular sessions.

In the American Medical Response (AMR) budget request for FY 08 and FY 09, AMR priced the cost of a replacement helicopter at approximately \$3.2 million. Depreciated over five (5) years, the cost per year was determined at \$649,412 for fiscal year 2008 and \$675,388 for fiscal year 2009. To date, AMR (through its subcontractor Pacific Helicopter Tours, Inc.) has not purchased, nor entered into a lease agreement for a replacement helicopter for the Maui aeromedical EMS program. Pacific Helicopter Tours, Inc. (PHTI) has been actively researching and “shopping” for a helicopter to meet the Maui EMS mission needs. PHTI has an active aircraft broker to assist in the acquisition of a replacement helicopter, but the current market availability of aircraft is extremely limited. This limited availability is fueled by the growth of offshore/corporate markets and the inability of aircraft manufacturers to keep up with new aircraft demand. Additionally, the prices for available aircraft have escalated 15-20% in the past 18 months, making the search for an aircraft more difficult. AMR (through PHTI) will continue this “active” search with the goal of purchasing a replacement helicopter within the above periods and prescribed budgets.

Central Oahu FY 2008 and FY 2009

Act 213, SLH 2007 further directs the department as follows:

SECTION 36. Provided that of the general fund appropriation for emergency medical services and injury prevention system (HTH 730), the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the same sum or so much thereof as may be necessary for fiscal year 2008-2009 shall be expended by the department of health solely for emergency medical services for the city and county of Honolulu for central Oahu; provided further that any unexpended funds shall lapse to the general fund; and provided further that the program shall submit an expenditure report to the legislature no later than twenty days prior to the convening of the 2008 and 2009 regular sessions.

The City and County of Honolulu's total budget for the Central Oahu Unit (District 22, Waipio) for fiscal year 2008 was \$1,423,181. The opening date of the unit was delayed to January 6, 2008. In FY 08 this unit was in operation for only 16 hours a day, 7 days a week, due to a shortage in staffing. The total expenditures reported for this unit in FY 08 are anticipated to be \$883,400. Following receipt and payment of a final invoice for FY 08, the DOH anticipates lapsing \$539,781 to the general fund.

The City and County of Honolulu's total budget for the Central Oahu Unit for fiscal year 2009 is \$1,500,000. However, the City and County of Honolulu estimates continuing operation for only 16 hours a day, 7 days a week until the end of December 2008 due to a continuing shortage in staffing. The City and County of Honolulu plans to begin operating the Central Oahu Unit 24 hours a day, 7 days a week in January 2009.

Emergency Medical Technician Training Stipend Program

Act 213, SLH 2007 further directs the department as follows:

SECTION 37. Provided that of the special fund appropriation for emergency medical services and injury prevention system (HTH 730), the sum of \$300,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the same sum or so much thereof as may be necessary for fiscal year 2008-2009 shall be expended out of the emergency medical services special fund for an emergency medical technician training stipend program to remedy the shortage of mobile intensive care technicians and paramedics; provided further that the department shall prepare a detailed report to include expenditures and all activities performed; and provided further that the department shall submit the report to the legislature no later than twenty days prior to the convening of the 2008 and 2009 regular sessions.

An emergency medical technician training stipend program was established through a Memorandum of Understanding between the DOH and Kapiolani Community College – University of Hawaii (KCC) with an initial amount of \$300,000 in general funds provided by the

2006 Legislature. The funds appropriated in Section 37 provide stipends for ten (10) students, each receiving \$2000 per month. As of September 30, 2008 there are two (2) students (Oahu) enrolled. KCC anticipates eight (8) new students will enroll in the classes beginning January 2009. The expenditure of funds for July 1, 2007 to June 30, 2008 was \$182,000.

**FISCAL YEAR 2008**

<b>Description:</b>	<b>Total No. of Students:</b>	<b>No. of Students From Oahu:</b>	<b>No. of Students From the County of Hawaii:</b>	<b>No. of Students From the County of Kauai:</b>	<b>No. of Students From the County of Maui:</b>
MICT <sup>1</sup> Students Enrolled (July 1, 2007 – June 30, 2008)	12	4	0	1	7
MICT Students Graduated	7	1	0	1	5
MICT Students Withdrew	3	1	0	0	2
Remaining MICT Students Enrolled (July 1, 2008)	2	2	0	0	0

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<sup>1</sup> MICT = mobile intensive care technician