

# Certificate of Necessity (CON) Overview

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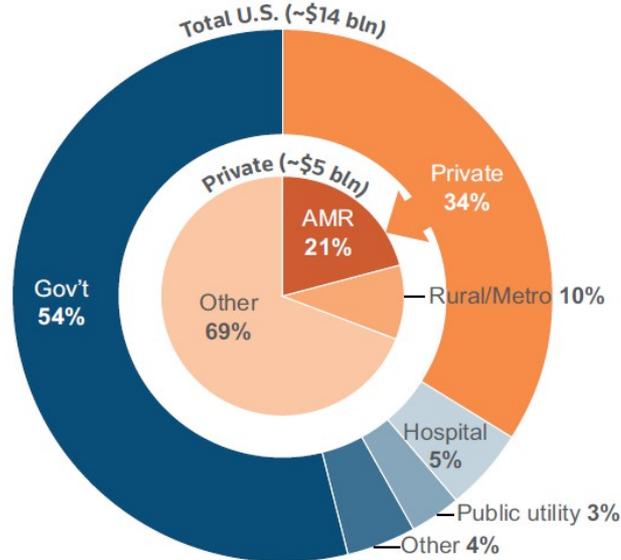
# EMS System

- Glendale Fire Department (GFD) provides approximately 5 minute travel time to 90% of emergency medical calls
- GFD arrives to every call with paramedic trained and equipped personnel
- GFD sets the Customer Service standard
- GFD drives innovation through studies with U of A & Arizona Department of Health Services (AZDHS)
- GFD provides paramedic staffing for serious and critical ambulance transports
- Rural Metro/Southwest Ambulance provides an ambulance and personnel for patient transport to the hospital

# Emergency Transportation Market

## U.S. ambulance share

Market share, public vs. private – percent



25/03/11

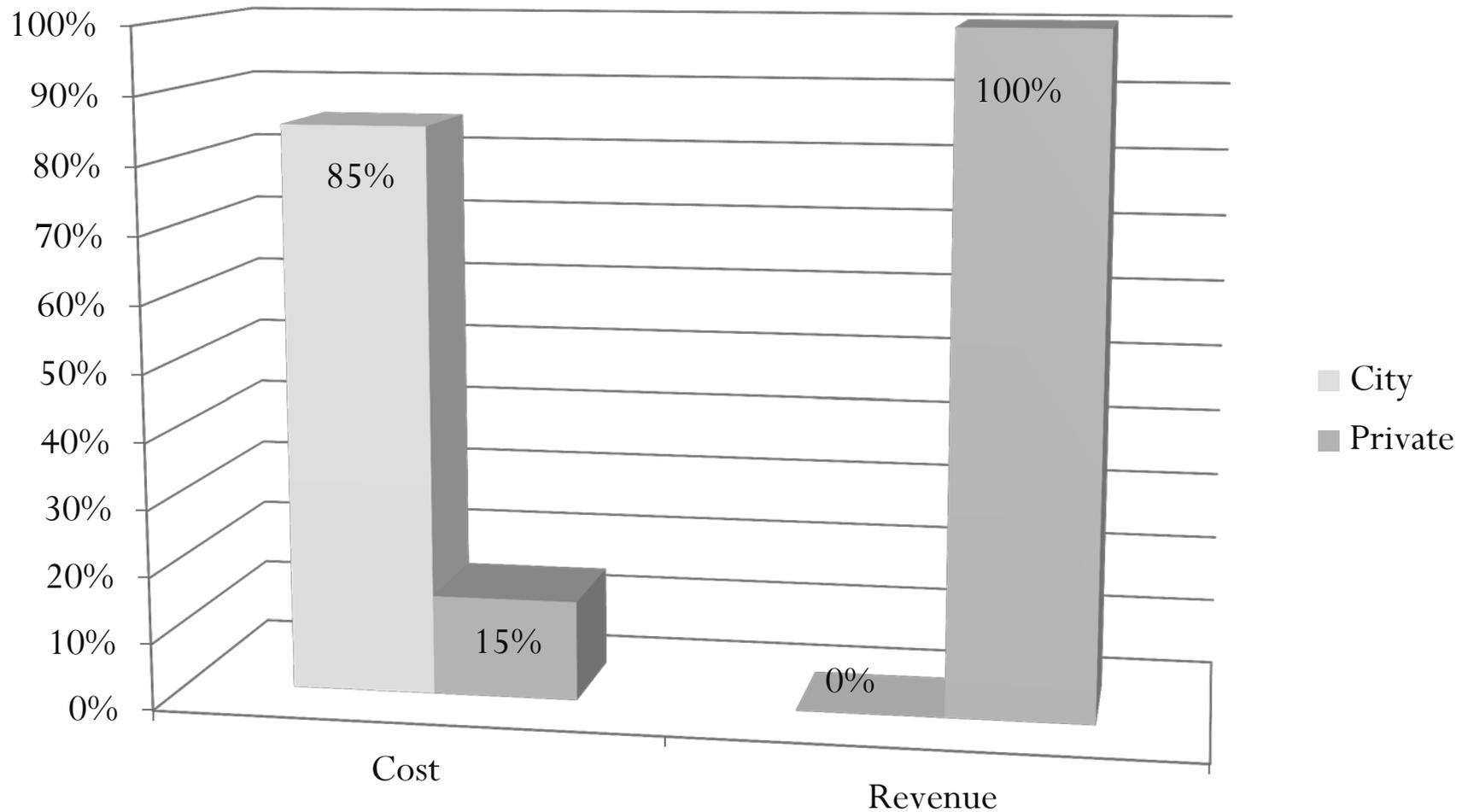
Source: Rural/Metro investor presentation

Reuters graphic/Stephen Culp

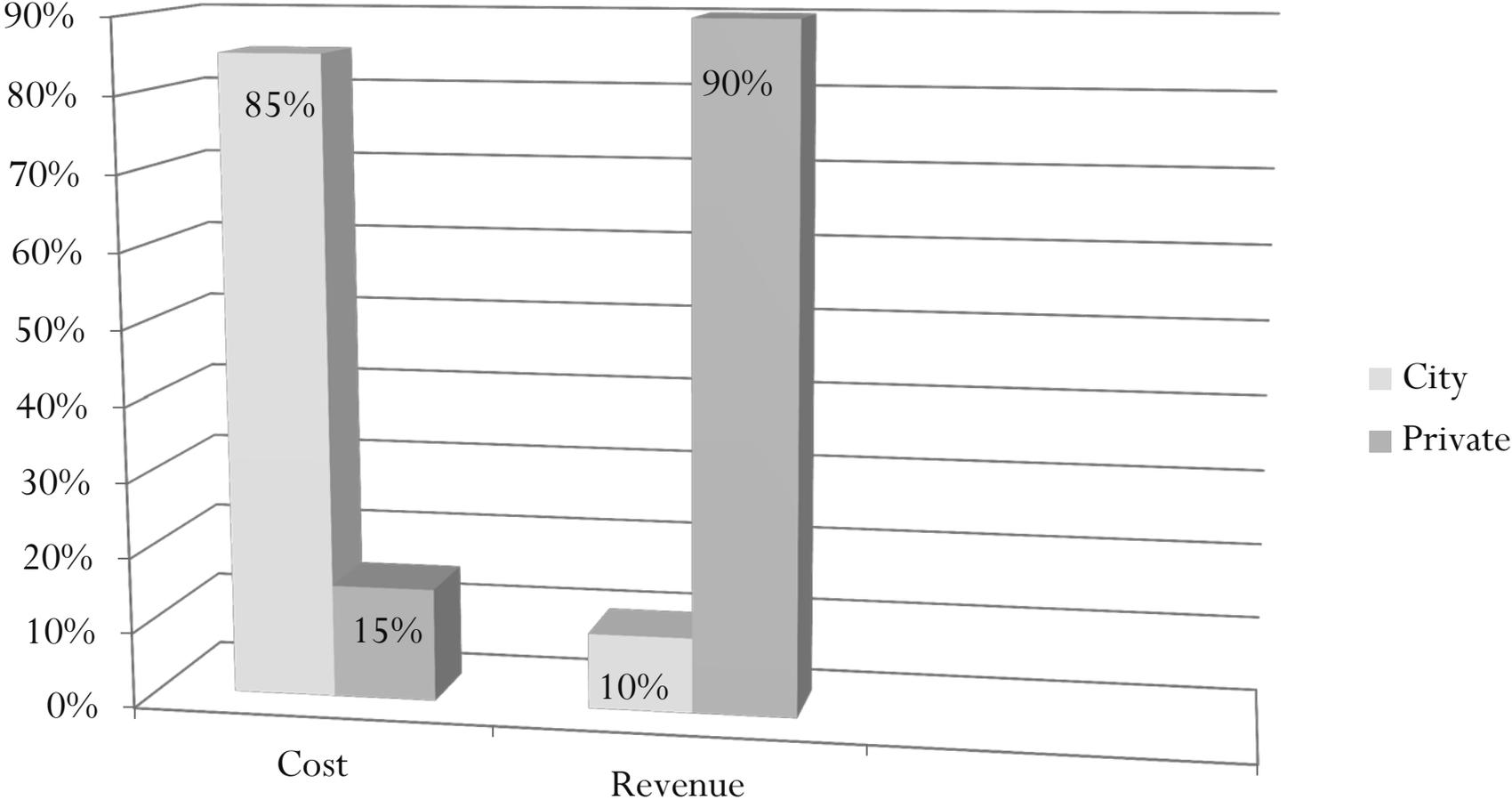


- 85 Arizona CON's
- 51 to local governments
- 27 private
- 5 non-profits
- 1 county
- 1 hospital

# Traditional Distribution of Cost/Revenue



# Glendale's Current Contract Distribution of Cost/Revenue



# Arizona Department of Health Services (AZDHS) Role

- As the State agency responsible for regulation of ambulance services they control ambulance services via the CON process.
- 3 CON's for Glendale: Rural Metro, Southwest Ambulance, and Professional Medical Transport. Rural Metro owns all three.

# Four Primary Factors of Current Transportation Status

1. Currently, 911 transport services in Glendale are through a partnership with Rural Metro/Southwest Ambulance.
2. If we discontinue partnership with Rural Metro/Southwest Ambulance, we would suffer a revenue gap of \$1.3 million a year.
3. AMR now entering Maricopa County Market.
4. AZDHS is agreeable to approve another CON for each jurisdiction.

# Suggested Solution

- Apply for an Advanced Life Support (ALS) CON and partner with Rural Metro/Southwest Ambulance
  - City Attorney's office can cover hearing process
  - Not required to operate – option to contract with other CON holders
  - Not alone – several fire departments and fire districts have applied

# CON Benefits

1. CON allows us to recover costs potentially covering the \$1.3 million gap.
2. Provides for local control if we are not able to partner with a company that we are not satisfied with.
3. AZDHS will have assurances not currently available.
4. Operating response vehicles that are transport capable is a sound contingency that ensures that critical patients are provided the highest level of customer service.
5. City of Glendale gaining authorization to operate an ALS CON will not be a threat to a high performing company as this is a partnership.

# Next Steps

1. City of Glendale Fire Department will continue the application process.
2. Based on City Council approval, a letter of service commitment will be submitted to AZDHS from the City Manager.