

## Potential Cost Savings and Revenue Opportunities in Toronto Fire and EMS (Provincial Options)

### Issue / Background:

As part of preparation for the 2006 budget, Toronto EMS and Fire undertook a review of internal operations to identify potential savings and revenue opportunities. The two services have previously adopted joint efficiencies including a shared headquarters, 13 shared operational facilities, bulk purchasing of supplies such as oxygen and the use of a common communications systems.

A staff team has identified eight areas which have the potential to produce savings/revenue opportunities of approximately \$3 million for Toronto Fire and of approximately \$6 million for Toronto EMS. Three of those areas are within the jurisdiction of the Government of Ontario rather than the City of Toronto to implement. This briefing note outlines those options

### Key Points:

- 1. Retention of Emergency Call Health Insurance Co-Payment Fee** – Under the Ambulance Act, a \$45 co-payment fee is charged for each emergency pre-hospital medical service. Although EMS provides the ambulance services, all of the co-payment fees are channelled to 16 Toronto hospitals (which retain \$30 of the fee) and the Ministry of Health and Long Term Care (which receives \$15). It is recommended that the City of Toronto requests the Ministry to change the regulations and allow EMS to bill and retain the entire \$45 health insurance co-payment fee. Based on 135,000 emergency transports per year, it is estimated that the potential annual revenue could amount to \$6 million.
- 2. EMS/Fire Fuel Tax Exemption** – The Ontario Fuel Tax Act specifies a levy of 14.3 cents per litre of clear fuel used in all vehicles under the Highway Traffic Act. Considering the ever-increasing cost of fuel (predominately diesel for EMS and Fire), it is recommended that a petition be forwarded to the Minister of Finance requesting special fuel tax exemption for emergency EMS and Fire vehicles. At a conservative estimate, \$200,000 (at 10% savings on 2 million litres at \$1.00/ litre) could be saved.
- 3. EMS Vehicle Sales Tax Exemption** – Fire fighting vehicle purchases are exempt under the Ontario Retail Sales Tax Act whereas EMS vehicle purchases are not. It is recommended that an appeal be submitted to the Minister of Finance to address this differential treatment. EMS would save approximately \$210,000 if exemptions were granted.