

Analyst Briefing Notes

Budget Committee - February 16, 2010

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Contacts: **Alan Cohen**
 Manager, Financial Planning
 Tel: (416) 392-3740

Cherry Enriquez
 Senior Financial Planning Analyst
 Tel: (416) 397-4296

February 16, 2010

PART I: 2010 OPERATING BUDGET**Executive Summary**

- Emergency Medical Services (EMS) is committed to providing excellent emergency and preventative care services in the City of Toronto through activities such as pre-hospital emergency care, community medicine and inter-facility patient transport services. EMS operates from 43 ambulance stations located across the City, with a fleet of 154 ambulances, 22 one-person emergency response vehicles, 16 mountain bicycles and a staff of 851 paramedics and 108 emergency medical dispatchers that provide 24-hour emergency medical response.
- To address its commitment to provide superior ambulance-based health services, EMS's key service objectives are as follows:
 - To improve EMS' response time to life threatening calls from the current 64% to 70% in 2010 within 8.59 minutes.
 - To reduce in hospital time from 49 minutes to 45 minutes which will result in an increase in the availability of vehicles to respond to medical emergencies and at the same time reduce the pressure on overtime.
 - To assign the correct response determinant in the call screening process and the appropriate EMS resource to each emergency call with 95% accuracy.
- In 2009, EMS implemented the following initiatives to improve communication and ensure an effective and efficient service delivery:
 - Under the new Cardiac Care Program, Advanced Care Paramedics began to use cardiac monitors to diagnose and begin treatment on "STEMI" (ST Elevation Myocardial infarction) heart attacks. Rapid diagnosis and treatment can reduce death rates associated with STEMI conditions by two thirds.
 - With the Central Ambulance Communications Centre (CACC) Re-Design, significant progress has been made on how CACC receives and processes calls. Using the new system and the implementation of new decision support software will enable dispatchers to more accurately anticipate, monitor and assign EMS resources throughout the city.
 - Through the EMS Dedicated Nursing Program, the incidence of hospital offload delay has reduced significantly (from 70 minutes in April 2008 to 49.3 minutes in December 2009) and benefits include reduced overtime costs by approximately \$1.0 million, increased meal break completion and increased EMS system capacity.
 - The Toronto EMS ePCR (Electronic Patient Care Records) team was awarded both the award of Merit and the Diamond Award for innovation in 2009 by the City of Toronto and the Province of Ontario. Toronto EMS is the largest single user, worldwide, of this type of ePCR technology, which is a data management system that centralizes information and links the entire pre-hospital chain of events into a single system managed online and wirelessly.

- EMS is projecting a favourable gross variance of \$0.900 million, however, combined with a revenue shortfall of \$2.673 million, will result in an unfavourable net variance of \$1.773 million or 2.8 per cent of the 2009 Approved Operating Budget.
 - The gross under expenditure of \$0.900 million is mainly attributed to savings in salaries and benefits due to higher turnover of staff than normal levels partially offset by over expenditures in overtime pressures due to Hospital Offload Delays, and higher than budgeted projected expenditures in Mobile Equipment Parts and Medical & Dental Supplies.
 - Provincial grant revenues, as confirmed by the Ministry of Health and Long Term Care (MOHLTC), are projected to be lower than budget by \$2.673 million primarily in the Central Ambulance Communication Centre (CACC) Program (100% funded by the Province). The 2009 Provincial revenues in CACC have not been increased to compensate for the incremental impact of labour and non-labour inflationary increases for 2008 and 2009.
 - In 2007 and 2008, Provincial grant revenues received under Land Ambulance Services exceeded its Provincial subsidy share of 50%, thus, offsetting any revenue shortfall in CACC. However, in 2009, confirmed Land Ambulance Services grant revenues were not sufficient to offset the revenue shortfall in CACC.

Table 1: 2010 Recommended Budget

(In \$000s)	2009		2010 Recommended Operating Budget			Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget		FY Incremental Outlook	
	2009 Appvd. Budget	2009 Projected Actual	2010 Rec. Base	2010 Rec. New/Enhanced	2010 Rec. Budget	\$	%	2011	2012
	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	161,180.4	160,280.4	165,266.0	0.0	165,266.0	4,085.6	2.5	1,451.5	95.8
REVENUE	96,883.4	94,210.2	99,618.6	0.0	99,618.6	2,735.2	2.8	353.2	(96.7)
NET EXP.	64,297.0	66,070.2	65,647.4	0.0	65,647.4	1,350.4	2.1	1,098.3	192.5
Approved Positions	1,221.0	1,221.0	1,214.5	0.0	1,214.5	(6.5)	(0.5)	0.0	(1.0)

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	63,048.3	65,647.4	2,599.1	60,181.4
PROGRAM REDUCTION (\$)	(3,223.4)	(624.3)	2,599.1	(3,214.9)
PROGRAM REDUCTION (%)	(5.0)	(1.0)	4.0	(5.0)

- The 2010 Recommended Operating Budget of \$165.266 million gross and \$65.647 million net is \$1.350 million or 2.1% over the 2009 Approved Operating Budget and over the 2010 budget target by \$2.599 million representing a 2010 Recommended Operating Budget increase equal to the cost of living adjustment. Further reductions to achieve the 2010 target will result in significant budget target service impacts and therefore are not recommended at this time.
- The 2010 Recommended Operating Budget for EMS does not include funding for any new or enhanced service priority actions.
 - In 2011, projected increases of \$1.452 million include labour costs (cost of living allowance (COLA), progression pay and step increases) and maintenance and service costs resulting from completed capital projects. These base pressures will be partially offset by the

- annualized impact of staff reductions recommended in 2010 and the reversal of the 100% Provincially funded EMS Nurses Initiative that is expected to end in March 2011.
- The 2012 Outlook anticipates incremental increases of \$0.096 million for progression pay and step increases and service and operating costs of completed capital projects that will be partially offset by the annualized impact of the EMS' Nurses Initiative.
 - EMS identified further reduction options that may result in revenues/savings in 2011 with incremental impacts in 2012. These options require further discussions with Corporate Human Resources and other government agencies such as the Ministry of Health and Long Term Care (MOHLTC) and Local Health Integrated Networks (LHINs). Further analysis will be conducted over the course of the year and presented for consideration during the 2011 budget process.
 - The 2010 Recommended Base Budget provides funding for the Program's key cost drivers which include salary cost pressures (COLA of 2%, progression pay and step increases, and increases in overtime and family day costs), non-labour inflationary increases, maintenance and service costs resulting from the completion of two capital projects in 2009 (purchase of 70 Automatic External Defibrillators and one ambulance vehicle) totaling \$8.921 million gross. These base pressures are partially offset by recommended base reductions and service changes of \$4.836 million gross.
 - Approval of the following service efficiencies and service level adjustments will result in the deletion of 6 permanent positions, reducing EMS' staff complement to 1,214.5 positions in 2010.
 - Efficiency savings due to a re-distribution of workload within EMS will result in the deletion of 3 permanent positions: Duties performed by these staff will be absorbed by other staff within EMS (\$0.074 million net in 2010 with an incremental impact of \$0.066 million net in 2011). Refer to Confidential Attachment 1.
 - Service level reductions will result in the deletion of three permanent positions (\$0.073 million net in 2010 with an incremental impact of \$0.052 million net in 2011). Refer to Confidential Attachment 1.
 - The following key program issues have been identified for the 2010 budget process:
 - *Hospital Offload Delay*: The hospital offload delay has been an issue since 2003 as EMS paramedics are required to continue caring for ambulance patients after their initial arrival at the hospital. The EMS Nurses Initiative, 100% Provincially funded 3-year pilot project where EMS purchases nursing hours to assist paramedics offload patients has been successful in reducing overtime over expenditures by 25%, however, this initiative is expected to end in March 2011.
 - *EMS Response Time to Medical Emergencies*: MOHLTC requires all EMS service providers to achieve its ambulance response time performance (time to arrive at life threatening emergencies) achieved in 1996. In 2009, EMS response time was 64%, 20% lower than its 1996 performance and 2% lower than the 66% achieved in 2008. The hospital offload delay and increased emergency calls, time to service a call as well as traffic congestion en route to medical emergencies are major factors that have contributed to the degradation of EMS response time.

- *Provincial Revenue Shortfall for the Central Ambulance Communication Centre (CACC):*
The 2010 Recommended Operating Budget assumes a provincial subsidy consistent with established Provincial subsidy rate of 50% for the Land Ambulance services and 100% for Central Ambulance Communications Centre (CACC) and Systems. In 2009, confirmed provincial revenues for CACC of \$17.807 million represent only 89% funding of projected actual costs of \$20.046. EMS is currently negotiating with MOHLTC to resolve the revenue shortfall in CACC.
- Toronto EMS is responsible for providing 24-hour emergency and non-emergency pre-hospital medical care and transportation to individuals experiencing injury or illness. The 2010 Recommended Operating Budget will fund:
 - 24-hour emergency medical response for the City of Toronto from 43 ambulance stations located across the City with a fleet of 154 ambulances and staff of 851 paramedics and 108 emergency medical dispatchers.
 - Respond to life threatening emergency calls within 8:59 minutes 70% of the time with response time defined as the elapsed time from the notification of the ambulance crew by the ambulance dispatcher of a patient requiring emergency care, to the arrival of the ambulance crew at the scene.
 - Processing of a projected 870,000 system telephone transactions through its Central Ambulance Communication Center (CACC).
 - Distribution and installation of 75 Automated External Defibrillators (AED's) to workplaces and facilities throughout the City of Toronto and provide First-Aid/CPR and Public Access Defibrillator training to approximately 60,000 City staff and external clients. EMS currently maintains 272 city owned AED's and provides oversight to over 350 private sector AED's.
 - Provision of an estimated 1,200 hours of continuing medical education courses to Toronto paramedics; and provide ITLS (International Trauma Life Support) training to approximately 500 students.
 - Provision of approximately 167,800 emergency transports and 289,600 emergency vehicle assignments, an increase of 2% over the 2009 actuals of 164,516 and 283,935 emergency transports and emergency vehicle assignments respectively.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2010 Recommended Operating Budget for Emergency Medical Services of \$165.266 million gross and \$65.647 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Central Ambulance Communication Centre (CACC)	16,482.1	73.5
Corporate Charges	5,914.5	2,957.3
Operation Support Services	23,214.8	8,546.5
Operations	110,959.1	50,737.8
Program Development & Service Quality	8,695.5	3,332.3
Total Program Budget	<u>165,266.0</u>	<u>65,647.4</u>

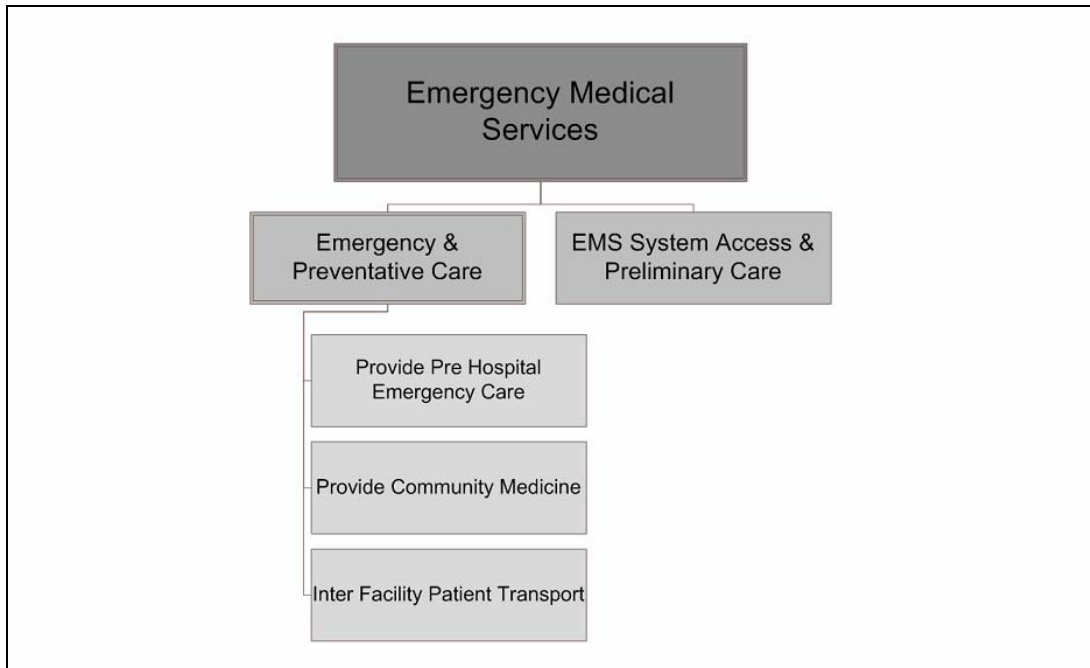
2. City Council request the Province to provide its full share of 100% funding for Emergency Medical Services' Central Ambulance Communication Centre (CACC) and Systems Services.
3. the General Manager of Emergency Medical Services negotiate with the Ministry of Health and Long Term Care to continue the EMS Nurses Initiative beyond March 2011 at 100% Provincial funding and to report back on the outcome during the 2011 budget process.
4. the information contained in confidential attachment 1 remain confidential until the outcome of Council's decision has been communicated to the Unions and affected staff.

PART II: 2010 SERVICE OVERVIEW AND PLAN

Mission Statement

Toronto EMS exists to safeguard the quality of life in Toronto by providing superior ambulance-based health service, responding in particular to patients with health emergencies and to special needs of vulnerable communities through mobile health care

Program Map



2010 Recommended Services: Overview

Emergency Medical Services (EMS) is the sole provider of emergency medical response for the City of Toronto, a service district encompassing 650 square kilometres with a daytime population of 3.5 million. EMS operates from 43 ambulance stations located across the city, with a fleet of 154 ambulances, 22 one-person emergency response vehicles, 16 mountain bicycles and a staff of 851 paramedics and 108 emergency medical dispatchers that provides 24-hour emergency medical response. Toronto EMS is the largest municipal paramedic ambulance service in Canada.

EMS provides two major services: Emergency and Preventive Care Services and EMS System Access and Preliminary Care.

Emergency & Preventive Care Services

EMS provides emergency and preventative care services to the people of Toronto through activities such as pre-hospital emergency care, community medicine and inter facility patient transport services:

- Pre-hospital care includes the support, instruction, care and treatment provided from the moment the request for emergency care is initiated until the patient's care is transferred to the receiving health care provider. Major activities include:
 - Patient transport (emergency and non-emergency) of approximately 181,800.
 - Pre-hospital emergency care (Primary/Advanced, Stand-by Emergency, Stand-by Special Event) provided 24 hours, 7 days a week as required.
 - Respond to emergency 911 calls within the designated response time standards, 70% of the time.
- Community medicine is a non-emergency, community-based service with a focus on health promotion and injury prevention. This service includes:
 - Client referrals to appropriate Community Care Access Centres (CREMS - Community Referrals by EMS) for further assessment.
 - Influenza vaccination to homeless and marginally-housed persons through clinics held in shelters and drop-in centres to approximately 4,300 clients in collaboration with Toronto Public Health.
 - Provide multi-cultural outreach events throughout the City and presentations to ethno-cultural organizations which includes education of 911 emergency services.
- Out-of- hospital care includes all other aspects of care and treatment provided by emergency services personnel including patient transfers, response to and the treatment of citizens involved in mass casualty incidents and community emergencies, and the provision of medical support to other emergency services.

EMS System Access and Preliminary Care Services

Through its Central Ambulance Communications Center (CACC), the initial access point to City of Toronto's emergency health services system for victims of illness or injury, EMS provides ambulance communication services that are seamless, integrated, accountable, accessible and responsive to the emergency requirements of the City of Toronto residents in accordance with the Ambulance Act, O. Reg. 257/00. The following major activities are provided by EMS 24 hours a day, 365 days a year:

- Emergency and Non-Emergency Resource Management and deployment;
- Emergency and Non-Emergency Immediate Response to request for service; and,
- Emergency and Non-Emergency Preliminary care with callers.

Service Objectives

EMS' mission is to provide superior ambulance-based health service, responding in particular to patients with health emergencies and to special needs of vulnerable communities through mobile health care. The following service objectives directly address EMS' strategic direction to provide patient-focused emergency medical services; improve its operational and system performance and efficiencies; and, be a leader in pre-hospital emergency medical care.

Emergency and Preventive Care Services:

Hospital off-load delay has resulted in a significant pressure on EMS' overtime budget and contributes to the loss of staff productive hours. This has inevitably depleted available ambulance resources that have impacted EMS' response to emergency calls in the City.

- 1) To reduce the in-hospital time from 49 minutes to 45 minutes by 2010.
- 2) To improve the response time to life threatening calls from 64% within 8:59 minutes in 2009 to 70% in 2010.

EMS System Access and Preliminary Care Services:

CACC dispatchers prioritize the urgency of requests, determine the appropriate destination hospital to meet patient needs and provide callers with pre-arrival first aid instructions.

- 3) To optimize the use of EMS resources providing city wide coverage to respond to Emergency 911 calls, within the designated response time standards, 90% of the time.
- 4) Through the application of the current receiving process, assign the correct response determinant to each emergency call with 95 % accuracy.

PART III: 2009 BUDGET EXPERIENCE

2009 Accomplishments

EMS implemented the following key initiatives in 2009 that have contributed significantly to the effective deployment of paramedic resources:

- *Under the new Cardiac Care Program*, Advanced Care Paramedics began to use cardiac monitors to diagnose and begin treatment on “STEMI” (ST Elevation Myocardial infarction) heart attacks. Rapid diagnosis and treatment has reduced death rates associated with STEMI conditions by two thirds.
- *The Central Ambulance Communications Center (CACC)*’s new redesigned communication systems and decision support software will enable dispatchers to more accurately anticipate, monitor, deploy, coordinate and direct the movement of all EMS ambulances and emergency response vehicles throughout the City to ensure an integrated healthcare system. This new system focuses on how EMS receives and processes emergency calls and is anticipated to reduce call handling time, improve response time and achieve EMS’ objective of assigning the right resource to respond to each emergency call in the appropriate time frame.
- *The EMS Nursing Initiative* provides extra nursing shifts in hospital emergency rooms to speed up offloading of Toronto EMS patients. Implemented in mid-2008, this initiative had contributed to improving the average wait times from 70 minutes in April 2008 to 49.3 minutes in December 2009. This has resulted in an increase in ambulance unit availability to 93.5 Unit hours per day or an equivalent of almost 4 ambulances 24 hours a day.

Table 2: 2009 Budget Variance Review (\$000s)

(In \$000s)	2008 Actuals	2009 Approved Budget	2009 Projected Actuals*	2009 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	158,028.9	161,180.4	160,280.4	(900.0)	(0.6)
REVENUES	92,486.5	96,883.4	94,210.2	(2,673.2)	(2.8)
NET EXP.	65,542.4	64,297.0	66,070.2	1,773.2	2.8
Approved Positions	1,212.5	1,221.0	1,221.0	0.0	0.0

*Projected Actuals Based on the September 2009

2009 Budget Variance Analysis

As of September 2009, EMS is projecting an unfavourable net variance of \$1.773 million or 2.1 per cent over the 2009 Approved Operating Budget primarily due to unrealized provincial revenues of \$2.673 million.

The gross under expenditure of \$0.900 million is mainly attributed to savings in salaries and benefits due to higher turnover of staff than normal levels partially offset by over expenditures in overtime due to hospital offload delays and higher than budgeted expenditures in Mobile Equipment Parts and Medical & Dental Supplies.

Provincial grant revenues, confirmed by the Ministry of Health and Long Term Care (MOHLTC), are projected to be lower than budget by \$2.673 million, primarily in the Central Ambulance Communication Centre (CACC) Program that has historically been funded at 100% by the Province, resulting in an unfavourable net variance of \$1.773 million by year-end.

As detailed in the table below, the 2009 confirmed provincial revenue for CACC of \$17.807 million represents only 89% funding of projected actual costs of \$20.046 million resulting in a Provincial revenue shortfall of \$2.238 million or 11%.

- The 2009 Provincial revenues for CACC have not been increased sufficiently to compensate for the cumulative impact of both labour and non-labour inflationary increases in 2008 and 2009. In the previous 2 years (2007 and 2008), Provincial grant revenues received for Land Ambulance Services exceeded its Provincial share of 50%, thus, offsetting any revenue shortfall in CACC. However, in 2009, the additional grant revenues received in Land Ambulance Services were not sufficient to absorb the revenue shortfall in CACC.

	Land Ambulance Services (50% Provincially Funded)			CACC (100% Provincially Funded)			ORNGE (100% Provincially Funded)			TOTAL		
	2009											
	Proj. Act.	Budget	Variance	Proj. Act.	Budget	Variance	Proj. Act.	Budget	Variance	Proj. Act.	Budget	Variance
Gross	138,077.1	137,996.5	80.6	20,045.7	20,206.8	(161.1)	2,157.6	2,977.1	(819.5)	160,280.4	161,180.4	(900.0)
Revenue	74,245.2	73,699.4	545.8	17,807.3	20,206.8	(2,399.5)	2,157.6	2,977.1	(819.5)	94,210.1	96,883.3	(2,673.2)
Net	63,831.9	64,297.1	(465.2)	2,238.4	0.0	2,238.4	0.0	0.0	0.0	66,070.3	64,297.1	1,773.2

EMS is currently negotiating with MOHLTC to ensure full cost recovery of 100% for CACC in 2009.

Impact of 2009 Operating Variance on the 2010 Recommended Budget

The savings in salaries and benefits will not continue into 2010 as EMS’ staffing levels are now within its 2010 staff complement.

Higher overtime cost is expected to continue into 2010. The 2010 Recommended Operating Budget includes \$3.7 million in additional overtime costs; however; offsetting this pressure is increased gapping to reflect actual experience.

The 2010 Recommended Operating Budget assumes a provincial subsidy consistent with established Provincial subsidy rate of 100% for Central Ambulance Communications Centre (CACC) and Systems as EMS is actively pursuing full funding from the Province for 2009 and beyond.

PART IV: 2010 RECOMMENDED BASE BUDGET

Table 3: 2010 Recommended Base Budget (\$000s)

	2009 Appvd. Budget	2010 Recommended Base	Change 2010 Recommended Base v. 2009 Appvd. Budget		FY Incremental Outlook	
			\$	%	2011	2012
(In \$000s)	\$	\$	\$	%	\$	\$
GROSS EXP.	161,180.4	165,266.0	4,085.6	2.5	1,451.5	95.8
REVENUE	96,883.4	99,618.6	2,735.2	2.8	353.2	(96.7)
NET EXP.	64,297.0	65,647.4	1,350.4	2.1	1,098.3	192.5
Approved Positions	1,221.0	1,214.5	(6.5)	(0.5)	0.0	(1.0)

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	63,048.3	65,647.4	2,599.1	60,181.4
PROGRAM REDUCTION (\$)	(3,223.4)	(624.3)	2,599.1	(3,214.9)
PROGRAM REDUCTION (%)	(5.0)	(1.0)	4.0	(5.0)

Table 3a: Program Reduction Requirements (\$000s)

(In \$000s)	2010 Required Reductions	2011 Required Reductions
2009 Approved Budget (September 30)	64,297.1	
Pressures Reported with 2010 / 2011 Outlook	1,966.1	347.9
Pressures Not Reported with 2010 / 2011 Outlook	8.5	0.0
5% Reduction Target	(3,214.9)	(3,214.9)
Additional Pressures not in 2010 Reported Outlook	(8.5)	TBD
Program Reduction Target	(3,223.4)	(3,214.9)
Net Budget Target	63,048.3	60,181.4

2010 Recommended Base Budget

The 2010 Recommended Base Budget of \$65.647 million net represents a \$1.350 million or 2.1% increase over EMS' 2009 Approved Operating Budget of \$64.297 million. The 2010 Recommended Base Budget includes \$1.975 million net in base budget increases, which have been offset by budget reductions of \$0.624 million net or 1.0% arising from recommended Service Changes.

The 2010 Recommended Base Budget of \$65.647 million net includes recommended Program reductions of \$0.624 million net for base adjustments, service efficiencies and service level reductions. This represents \$2.599 million or 4% under EMS' 2010 Operating Budget reduction target of \$3.223 million or 5% of the 2009 Approved Operating Budget.

Approval of the 2010 Recommended Base Budget will result in the Program's total staff complement decreasing from 1,221 to 1,214.5 approved positions, a reduction of 6.5 positions due to the recommended service efficiencies and service level reductions (6.0 permanent filled positions) and reduced funding for the EMS Nurses Initiative (0.5 temporary vacant position).

2010 Base Budget Key Cost Drivers

The 2010 Recommended Base Budget provides funding for the following key cost drivers:

- Cost of providing the current level of service requires \$3.684 million gross and \$1.517 million net for labour costs which includes COLA, progression pay and step increases and associated increase in benefits, and additional family day costs (triple time pay if paramedics work on family day);
- Increase in overtime of \$3.7 million to reflect actual experience;
- Non-labour inflationary pressures for materials and services of \$0.832 million gross and \$0.361 million net;
- Additional 100% Provincial funding for the Central Ambulance Communication Centre (CACC) for overtime and telephone costs of \$0.370 million gross and \$0 net; and,
- Maintenance and service costs resulting from the completion of two capital projects in 2009 (purchase of 70 AEDs and one ambulance vehicle) of \$0.253 million gross and \$0.024 million net.

These base pressures are partially offset by the following recommended base changes:

- Recommended base change savings are:
 - Reductions in fringe benefits and Workers Safety & Insurance Board (WSIB) administration costs of \$0.693 million gross and \$0.330 million net; and,
 - Increase in training revenues generated from external organizations to offset the maintenance and service costs for 70 AEDs purchased in 2009 under the Public Access Defibrillator (PAD) Program of \$0.073 million.
- Other base change includes increase in gapping of \$3.7 million based on actual experience.

2010 Service Changes

EMS' 2010 Recommended Base Budget includes service change savings of \$0.624 million net with incremental impacts in 2011 of \$0.280 million net. The recommended 2010 service changes are comprised of \$0.403 million net in base change savings noted above and \$0.222 million net with incremental impacts of \$0.280 million in 2011 resulting from service efficiencies and service level reductions.

The recommended service changes are summarized below:

Service Efficiencies

- Re-distribution of workload within EMS resulted with the deletion of 3 permanent positions as of June 2010 (\$0.074 million net in 2010 with an incremental impact of \$0.053 million net in 2011): Refer to confidential attachment 1.
- Reduction to EMS's contribution to the vehicle reserve by \$0.075 million net in 2010 and \$0.175 million net in 2011. The reduced contribution will result in the delay of replacing 5 vehicles (25 vehicles instead of the planned 30 vehicles replacement per year) and extending the replacement cycle from 4 years to 5 years for 2011 and beyond. This change would result in older vehicles requiring more maintenance that may reduce availability of vehicles to respond to medical emergencies.

Minor Service Level Changes

- Service level reductions recommended will result in the deletion of three permanent positions as of June 2010. Refer to confidential attachment 1.

2011 and 2012 Outlook: Net Incremental Impact

Approval of the 2010 Recommended Base Budget for EMS will result in a 2011 incremental impact of \$1.098 million net and a 2012 incremental impact of \$0.193 million to maintain the 2010 level of service. Future year costs are primarily attributed to the following:

- The incremental impact of \$1.098 million net in 2011 represents base pressures arising from increased labour costs (progression pay and step increases, COLA of 2.25%) of \$0.354 million net, and the operating impact of two capital projects of \$0.024 million net. These pressures are partially offset by the annualized impact of service changes recommended in 2010 of \$0.280 million net.
 - EMS has not submitted additional service level reductions to achieve its 2011 reduction target of \$3.215 million. However, EMS staff identified reduction options that may result in revenues/savings in 2011 with incremental impacts in 2012. These options require further discussions with Corporate Human Resources and other government agencies such as the Ministry of Health and Long Term Care (MOHLTC) and Local Health Integrated Networks (LHINs) and pending review, will be submitted as part of the 2011 budget process.
- The 2012 net increase includes \$0.193 million for progression pay and step increases. The 2012 Outlook does not include a provision for COLA, as this is subject to future negotiations.

PART V: 2010 RECOMMENDED SERVICE CHANGES

Table 4: 2010 Recommended Service Change Summary
(In \$000s)

Description	2010 Recommended Service Changes				Net Incremental Impact	
	Position Change	Gross Exp.	Net Exp.	% Change over 2009 Budget	2011	
	#	\$	\$	#	\$	# Pos
Base Change Summary	0.0	(692.9)	(402.7)	-0.6%	0.0	0.0
Service Efficiencies:						
Deletion of 3 Permanent Positions	(3.0)	(147.7)	(73.9)	-0.1%	(52.8)	
Reduced Vehicle Reserve Contribution		(150.0)	(75.0)	-0.1%	(175.0)	
Minor Service Level Changes:						
Deletion of 3 Permanent Positions	(3.0)	(145.4)	(72.7)	-0.1%	(51.9)	
Sub-Total Service Changes	(6.0)	(443.1)	(221.6)	-0.3%	(279.7)	0.0
Total Changes	(6.0)	(1,136.0)	(624.3)	-1.0%	(279.7)	0.0

2010 Recommended Service Changes

The budgetary impact of implementing the following service adjustments are included in the 2010 Recommended Base Budget, with savings of \$0.222 million in 2010 and incremental impacts of \$0.280 million in 2011. Approval of the recommended service changes will result in the deletion of 6 permanent positions, reducing EMS' 2010 staff complement to 1,214.5.

Service Changes

Service Efficiencies

- *The re-distribution of workload within EMS.* This recommended service efficiency will result in the deletion of 3 permanent positions as of June 2010 with savings of \$0.148 million gross and \$0.074 million net in 2010 and an incremental impact of \$0.106 million gross and \$0.053 million net in 2011. Refer to Confidential Attachment 1.
- *Reduced Vehicle Reserve Contribution.* The reduction to EMS's contribution to the vehicle reserve by \$0.075 million net in 2010 and \$0.175 million in 2011. The replacement of vehicles will be extended from 4 years to 5 years and vehicle replacement reduced from 30 to 25 ambulance vehicles per year.

Minor Service Level Changes

- *Deletion of 3 Positions will result in minor service level changes.* This recommended service change includes a reduction of 3 permanent positions as of June 2010, resulting in savings of \$0.073 million net in 2010 with incremental impact of \$0.052 million net in 2011. Refer to Confidential Attachment 1.

PART VII: ISSUES FOR DISCUSSION

2010 Budget Issues

Hospital Offload Delays:

A hospital offload delay occurs when paramedics bring a patient to the hospital or emergency room and cannot transfer care to the emergency room within a reasonable amount of time. As set out in the standards and guidelines under the Ambulance Act, paramedics are obligated to remain with ambulance patients until the responsibility for the patient has been transferred to hospital staff.

Over the past several years, Toronto EMS paramedics continue to care for ambulance patients for extended periods after their initial arrival at the hospital. It is routine for paramedics to stay on site as much as two hours past the end of their 12-hour shift which not only puts pressure on EMS' over time budget but also contributes to the loss of staff productive hours as well.

Offload delays have grown consistently in volume and duration over the past seven years and this trend, along with call volume increases, has negatively affected EMS performance and response times. The hospital offload delay has not only been a principal factor in the degradation of EMS' response time from nearly 84% within 8:59 minutes in 1996 to only 64% within 8:59 minutes in 2009 but has also impacted EMS's ability to maintain sufficient ambulances on the street to meet emergency demand.

As shown in the table below, overtime costs have increased, from \$4.3 million in 2003 to approximately \$6.5 million in 2009. To reflect actual expenditures, the 2010 Recommended Operating Budget includes an increase of \$3.7 million in overtime costs, with a corresponding increase in gapping. Historically, EMS has offset overtime costs by increased gapping, however, this may not be sustainable in the long run as this strategy results in a reduction / decrease of front-line staff.

	2003	2004	2005	2006	2007	2008	2009	2010
Budget	1,481.1	1,706.3	2,424.3	2,595.5	3,060.4	2,578.2	2,655.8	6,543.6
Actual	4,335.0	6,242.5	6,820.0	6,502.2	7,277.7	6,700.0	6,500.0	
Variance (over)	(2,853.9)	(4,536.2)	(4,395.7)	(3,906.7)	(4,217.3)	(4,121.8)	(3,844.2)	

The EMS Nurses Initiative is a 3-year project (2008 to 2011) funded 100% by the Province. It provides funding to purchase nursing hours at hospitals to assist EMS paramedics offload patients at seven hospitals with the highest offload delays in the City of Toronto. This initiative has reduced overtime by approximately \$1.0 million in 2009; however, this initiative is expected to end in March 2011.

Thus, it is recommended that the General Manager of Emergency Medical Services negotiate with the Province to continue funding the EMS Nurses Initiative at 100% Provincial funding beyond March 2011 and to report back on the outcome during the 2011 budget process.

EMS Response Time to Life Threatening Calls

The Ministry of Health requires all EMS service providers in the Province of Ontario to achieve, on a yearly basis, the ambulance response time performance achieved in 1996. In 1996, Toronto EMS arrived at life threatening emergency calls in 8:59 minutes 84% of the time.

The current response time for 2009 is projected to be 64%, 2% lower than the 66% achieved in 2008. EMS' challenge to meet this standard is largely influenced by the following key factors:

- Assigned emergency call volumes have increased from a monthly average of 19,700 in 2002 to 23,700 in 2009, an increase of 20% over a six-year period. This is primarily due to population growth as well as an aging population.
- The time required to service a call has increased. Call service time (primarily impacted by hospital offload delays) has been steadily increasing over the past several years. The average in-hospital wait time in 2000 was 35 minutes versus an averaging 70 minutes as of April 2008. With the new Nurses Program in place, the average in-hospital wait time has improved to 54 minutes by the 4th quarter 2008.
- Increased traffic congestion en route to calls.

EMS will be facing a significant service challenge to achieve the 70% response time due to the following additional pressures in 2010:

- increased public scrutiny over incidents such as the Alexandra Street delayed response call in July 2009. An investigation was conducted by the Ministry of Health and Long Term Care which resulted in recommendations to EMS staging policy that will include increased staff training to recognize potentially dangerous situations.
- the upcoming G8 and G20 Conferences, for which the Province and the Federal Government have requested dedicated Toronto EMS staff to assist in providing on-site medical coverage. Although the Province has indicated that additional funding will be provided, coverage may be impacted.
- the uncertainty of continued provincial funding for the hospital offload delay nursing program beyond 2011. If funding is not extended, more paramedic resources will again be required to help address ongoing hospital delays;
- the continued reliance on Toronto EMS to absorb paramedic coverage (typically on overtime) of city signature special events (e.g. Caribana, Pride Parade, Honda Indy, CNE, Taste of the Danforth). Such service activities impacts EMS' daily community coverage.

Provincial Subsidy/Grant Shortfall for CACC

The 2010 Recommended Operating Budget assumes a provincial subsidy consistent with established Provincial subsidy rate of 50% for the Land Ambulance services and 100% for Central Ambulance Communications Centre (CACC) and Systems.

In 2007 and 2008, overall Provincial grant revenues received funded the Province’s full share for both services with additional grant revenues received for Land Ambulance Services fully offsetting the revenue shortfall in CACC. However, in 2009, the confirmed provincial revenues for Land Ambulance Services were not sufficient to absorb the revenue shortfall in CACC of \$2.238 million.

As shown in the table below, the 2009 Provincial revenues received for Land Ambulance exceed the required 50% subsidy by approximately \$0.500 million with CACC experiencing a revenue shortfall of \$2.238 million or 11% of projected actual costs. The 2009 Provincial revenues in CACC have not increased to address the impact of labour and non-labour inflationary increases for 2008 and 2009.

	Land Ambulance Services (50% Provincially Funded)			CACC (100% Provincially Funded)			ORNGE (100% Provincially Funded)			TOTAL		
	2009											
	Proj. Act.	Budget	Variance	Proj. Act.	Budget	Variance	Proj. Act.	Budget	Variance	Proj. Act.	Budget	Variance
Gross	138,077.1	137,996.5	80.6	20,045.7	20,206.8	(161.1)	2,157.6	2,977.1	(819.5)	160,280.4	161,180.4	(900.0)
Revenue	74,245.2	73,699.4	545.8	17,807.3	20,206.8	(2,399.5)	2,157.6	2,977.1	(819.5)	94,210.1	96,883.3	(2,673.2)
Net	63,831.9	64,297.1	(465.2)	2,238.4	0.0	2,238.4	0.0	0.0	0.0	66,070.3	64,297.1	1,773.2

EMS is currently negotiating with MOHLTC to resolve the revenue shortfall of \$2.238 million in CACC and Systems in 2009.

It is recommended that City Council request the Province to honour its legislative requirements and provide 100% funding of EMS’ CACC and Systems Services.

2011 and Future Year Issues

2011 Reduction Target

EMS has not submitted additional service level reductions to achieve the 2011 Program reduction target of \$3.215 million or 5% of the 2009 Approved Budget. However, EMS staff identified further reduction options that may result in revenues/savings in 2011 with incremental impacts in 2012. These options will be further reviewed over the course of the year and presented for consideration during the 2011 Operating Budget process.

Appendix A

2010 Recommended Base Budget Changes vs. 2009 Approved Budget

(In \$000s)	Summary of 2010 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2011	2012
		\$	\$	\$	\$	\$
2009 Council Approved Operating Budget	1,215.0	159,546.4	95,833.7	63,712.7	0.0	0.0
Technical Adjustments		1,552.3	967.9	584.4		
In-Year Budget Adjustments	6.0	81.8	81.8			
2009 Approved Operating Budget	1,221.0	161,180.4	96,883.4	64,297.1	0.0	0.0
Prior Year Impacts:						
Annualizations from Prior Year		261.1	261.1			
Reversals from Prior Year	(0.5)	(178.7)	(178.7)			
Operating Impacts of Capital		253.4	156.7	96.7	24.0	24.0
Zero Base Items						
Economic Increases:						
Salary		2,985.4	1,768.1	1,217.3	1,354.0	168.5
Non Salary		831.9	471.2	360.7		
Adjusted Base Budget	1,220.5	165,333.5	99,361.8	65,971.8	1,378.0	192.5
Base Expenditure Changes		375.6	405.7	(30.1)		
Base Revenue Changes		0.0	72.7	(72.7)		
2010 Base Budget Prior to Service Changes	1,220.5	165,709.1	99,840.2	65,869.0	1,378.0	192.5
Recommended Service Changes:						
Service Efficiencies	(3.0)	(297.7)	(148.8)	(148.9)	(227.8)	
Revenue Changes						
Minor Service Level Changes	(3.0)	(145.4)	(72.7)	(72.7)	(51.9)	
Major Service Level Changes						
Total Recommended Base Changes	(6.0)	(443.1)	(221.5)	(221.6)	(279.7)	0.0
2010 Recommended Base Budget	1,214.5	165,266.0	99,618.7	65,647.4	1,098.3	192.5

Appendix B
Summary of Service Changes

Appendix D

Program Summary by Expenditure Category

CLUSTER: A							
PROGRAM: Emergency Medical Services							
	2009 Approved Budget	2009 Projected Actuals	2010 Recommended Budget	Change from 2009 Approved Budget		2011 Outlook	2012 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	133,276.3	131,032.2	136,387.2	3,110.9	2.3%	139,140.7	139,638.5
Materials and Supplies	4,899.7	5,539.5	5,156.6	256.9	5.2%	5,156.6	5,156.6
Equipment	1,349.7	1,349.7	1,375.4	25.7	1.9%	1,375.4	1,375.4
Services & Rents	7,108.7	7,636.2	7,490.8	382.1	5.4%	6,188.8	5,786.8
Contributions to Capital	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	5,574.8	5,574.8	5,457.8	(117.0)	(2.1%)	5,457.8	5,457.8
Other Expenditures	11.9	11.9	11.9	0.0	0.0%	11.9	11.9
Interdivisional Charges	8,959.4	9,136.2	9,386.4	427.0	4.8%	9,386.4	9,386.4
TOTAL GROSS EXPENDITURES	161,180.5	160,280.5	165,266.1	4,085.6	2.5%	166,717.6	166,813.4
Interdivisional Recoveries	1,040.9	1,040.9	1,042.6	1.7	0.2%	1,042.6	1,042.6
Provincial Subsidies	93,896.2	91,673.0	96,217.8	2,321.6	2.5%	96,571.0	96,474.3
Federal Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	639.6	639.6	639.6	0.0	0.0%	639.6	639.6
Transfers from Capital Fund	187.8	187.8	369.4	181.6	96.7%	369.4	369.4
Contribution from Reserve Funds	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Sundry Revenues	1,118.8	1,118.8	1,349.3	230.5	20.6%	1,349.3	1,349.3
TOTAL REVENUE	96,883.3	94,660.1	99,618.7	2,735.4	2.8%	99,971.9	99,875.2
TOTAL NET EXPENDITURES	64,297.2	65,620.4	65,647.4	1,350.2	2.1%	66,745.7	66,938.2
APPROVED POSITIONS	1,220.5	1,220.0	1,214.5	(6.0)	(0.5%)	1,214.5	1,213.5

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as of December 31, 2009			
			2010	2011	2012
XQ1019 Equipment Reserve	Beginning Balance		\$1,563,523	\$1,694,523	\$1,819,523
	Projected Contributions (Operating)		\$425,000	\$425,000	\$425,000
	ERU Vehicles		(\$294,000)	(\$300,000)	(\$306,000)
	Total Proposed Withdrawals		\$131,000	\$125,000	\$119,000
TOTAL RESERVE/RESERVE FUND BALANCE AT YEAR-END		\$1,563,523	\$1,694,523	\$1,819,523	\$1,938,523
XQ1018 - Vehicle Reserve	Beginning Balance		\$761,774	\$570,774	\$615,774
	Projected Contributions (Operating)		\$3,915,000	\$3,915,000	\$3,915,000
	Projected Auction Revenues		\$300,000	\$300,000	\$300,000
	CFL013 - EMS Vehicle/Equipment Replacement		(\$4,406,000)	(\$4,170,000)	(\$4,424,000)
	Total Proposed Withdrawals		(\$191,000)	\$45,000	(\$209,000)
TOTAL RESERVE/RESERVE FUND BALANCE AT YEAR-END		\$761,774	\$570,774	\$615,774	\$406,774

Corporate Reserve / Reserve funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2009 \$	Proposed Withdrawals (-) / Contributions (+)		
			2010 \$	2011 \$	2012 \$
Insurance Reserve	XR1010	32,534.1	954.8		
Sick Leave Reserve Fund	XR1007	49,786.3	280.0		
Total Reserve / Reserve Fund Draws / Contributions			1,234.8	0.0	0.0