

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11.16.2018

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: The Director of the Office of Emergency Management (OEM) requests authorization to execute an agreement with the Medical College of Wisconsin (MCW) Department of Emergency Medicine for a five-year Medical Director Services Agreement ending December 31, 2023 in the amount of \$289,000 plus \$131,407 for Medical Support, the latter of which decreases annually by 25% until MCW takes full funding responsibility

FISCAL EFFECT:

- | | |
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| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input checked="" type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
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Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year (2018)	Subsequent Year (2019)
Operating Budget	Expenditure	\$0	\$131,407
	Revenue	0	0
	Net Cost	0	\$131,407*
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

The cost increase for 2019 is \$131,407; however, subsequent years' costs are actually reduced by 25 percent each year until the financial responsibility for the \$131,407 (or, \$147,899 by 2023 with the annual 3% escalator) is fully assumed by the contractor.

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

- A. The approval of the requested action item will allow the Office of Emergency Management to execute a professional service agreement with the Medical College of Wisconsin (MCW) Department of Emergency Medicine for the provision of medical direction, consultation and medical support to the OEM division of Emergency Medical Services.
- B. This Agreement will authorize an annual payment of \$289,000 to MCW for costs associated with a full-time 24/7/365 emergency medicine physician(s) (the Medical Director) to provide medical direction and consultation as the MCW has done since 1998.

Additionally, the contract will provide for medical support to be provided by the MCW at an initial cost of \$131,407 in 2019. Beginning in 2020, the MCW will assume partial financial responsibility for these services until it has fully assumed the entire financial responsibilities for these services by 2023 as shown in the table below.

Year	Medical Director Services Agreement (existing service)	Medical Support Agreement (additional service)	Total Contract Value	Milwaukee County Cost	Total Savings to the County
2019	\$ 289,000	\$ 131,407	\$ 420,407	\$ 420,407	\$ (11,191.26)
2020	\$ 289,000	\$ 135,349	\$ 424,349	\$ 390,512	\$ (41,086.30)
2021	\$ 289,000	\$ 139,409	\$ 428,409	\$ 358,705	\$ (72,893.30)
2022	\$ 289,000	\$ 143,592	\$ 432,592	\$ 324,898	\$ (106,700.08)
2023	\$ 289,000	\$ 147,899	\$ 436,899	\$ 289,000	\$ (142,598.00)
TOTALS:	\$ 1,445,000	\$ 697,656	\$ 2,142,656	\$ 1,783,521	\$ (374,469)

- C. There are sufficient funds allocated in Office of Emergency Management’s 2019 budget to cover the costs of the 2019 payment. Further, medical support is offset by the salary savings of not filling the vacant EMS Division Director position (\$142,598) between 2019-2022, meaning this expenditure is absorbed within OEM's operating budget during these years. And then, in 2023, MCW will take over full funding responsibility.
- D. The Medical Support agreement assumes a 3 percent merit award escalator annually and a 29.2 percent fringe rate for MCW. This Agreement is necessary for the continued operation of the Milwaukee Emergency Medical System (EMS) that allows emergent field care by EMTs and paramedics, ambulance transport, and hospital reception of our citizens experiencing medical emergencies.

Department/Prepared By: Christine Westrich, Director, OEM

Authorized Signature _____

Did Fiscal Staff Review? Yes No

Did CBDP Review? ² Yes No Not Required

² Community Business Development Partners’ review is required on all professional service and public work construction contracts.