

## MINUTES

**Central Arizona Fire and Medical Authority  
Central Arizona Fire and Medical Authority Board of Directors  
Special Meeting  
Tuesday, October 12, 2021, 5:00 pm - 6:00 pm  
Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive,  
Prescott Valley**

### **In-Person Attendance**

Darlene Packard; Dave Tharp; Kathy Goodman; Matt Zurcher; Owen Mills;  
Rick Anderson; Scott A Freitag; Susanne Dixon

### **Remote Attendance**

Dave Dobbs; Nicolas Cornelius

## **NOTICE OF MEETING**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Central Arizona Fire and Medical Authority Board of Directors and the general public that the **Central Arizona Fire and Medical Authority** will hold a meeting open to the public on **Tuesday, October 12, 2021 at 5:00 p.m.** The meeting will be held at **Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive, Prescott Valley, Arizona.** The Board may vote to go into Executive Session on any agenda item, pursuant to A.R.S. §38-431.03(A)(3) for discussion and consultation for legal advice with Authority's Attorney on matters as set forth in the agenda item. The following topics and any variables thereto, will be subject to Board consideration, discussion, approval, or other action. All items are set for possible action. Members may attend in person or via remote methods of communication.

### 1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

**Chair Zurcher called the meeting to order at 5:00 p.m.**

### **Guests included:**

**Lorette Brashear and Cynthia Gentle - Chino Valley Fire District Board members  
Pete Gordon and Dane Beck - Central Yavapai Fire District Board members  
CAFMA Operations Chief John Feddema  
CAFMA EMS Chief Doug Niemynski (via Zoom)**

### 2. PLEDGE OF ALLEGIANCE

**Chair Zurcher led the Pledge of Allegiance.**

### 3. CALL TO THE PUBLIC

In accordance with A.R.S. §38-431.01(H) the Central Arizona Fire and Medical Authority Board has decided to allow public comments as time permits. Those wishing to address the Board regarding an issue within the jurisdiction of this public body may do so by completing a *Call to the Public* form and submitting it to Staff. Speakers are limited to three (3) minutes, but may submit written comments for Board records. Call to the Public shall not exceed 30 minutes per meeting. Board members shall not discuss or take legal action on matters raised

during an open call to the public, but may ask Staff to review a matter or may ask that a matter be placed on a future agenda.

**There were no public comments.**

4. VOTE TO GO INTO EXECUTIVE SESSION

- A. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Regarding Submission of the Certificate of Necessity (CON) Application

**This item was taken out of order, after item 5-A.**

**Motion to go into Executive Session at 5:37 p.m.**

Move: Darlene Packard Second: Owen Mills Status: Passed

Yes: Dave Dobbs, Darlene Packard, Matt Zurcher, Owen Mills, Rick Anderson

5. OLD BUSINESS

- A. Discussion and Possible Approval of Submission of the Certificate of Necessity (CON) Application

**This item was taken out of order, before item 4-A.**

**Chief Freitag reported that the region's ambulance response time issue is worsening. CAFMA is continuing to staff Rescues. Priority Yavapai has their Certificate of Necessity (CON) hearing this week, but even if successful, will not have everything through from the State to be able to staff ambulances for another seven (7) months. He then introduced Kathy Steadman, attorney and CON consultant from Coppersmith Brockelman.**

**Attorney Steadman explained the CON application process and reported that CAFMA's CON application is complete, and could be submitted within a few weeks.**

**Attorney Cornelius joined the meeting via Zoom at 5:10 p.m.**

**Chief Freitag inquired as to whether or not the Board will be required to sign a resolution if the Board approves the submission. Attorney Steadman responded in the affirmative, adding that the resolution needs to address sustainability; the Agency will stand by the service in the event it reflects losses.**

**Roger Wood, consultant and Finance Director for Superstition Fire and Medical, provided a presentation relating to the Ambulance Revenue and Cost Report (ARCR) portion of the CON application. See attached PowerPoint presentation.**

**Clerk Packard inquired as to if billing will be outsourced. Chief Freitag responded that the Agency will outsource billing. Mr. Wood explained that Superstition Fire uses a billing company, Digitech. He added that Superstition has been billing for six (6) years, and currently bills for approximately \$6 million. He asserted that it is not financially feasible for Superstition to bring billing in-house because the billing rate from Digitech is so much better. Digitech is paid based only on what is collected by the Agency.**

Director Mills requested clarification regarding the notation that medical supplies are billed 'at cost'. Mr. Wood explained that billing 'at cost' eliminates the potential for being accused of gouging the customer with cost mark-up. 'Cost' is the total cost, not just the cost of the element itself. Director Mills inquired as to how commercial companies survive without mark-up. Mr. Wood responded that the Agency is able to charge a rate higher than cost; for example, AMR/Life Line's 2019 ARCR shows the company charges a rate higher than cost. Chief Freitag noted that further information will be included in the Executive Session.

Clerk Packard stated that Medicare and Medicaid will only pay what they allow, no matter the mark-up.

Director Beck of the Central Yavapai Fire District Board inquired as to how the billing rates were determined, and if the rates are being modeled off of what is currently the market standard. Chief Freitag replied that Staff looked at the current market for CONs, including the initial amount that AMR was charging at the time Staff developed the application. The Department of Health Services (DHS) requires that CONs not undercut other companies with an unrealistic number. Since ARCR development, AMR has received a rate increase of \$75.00; CAFMA's ARCR reflects the initial rates, not the rate increase. CAFMA can provide better service more quickly and more cost effectively. Not balance billing the patients that are already paying taxes was considered, but certain statutes lay out what must be charged. CAFMA will have to balance bill or the performance of the system would be hurt.

Director Gordon of the Central Yavapai Fire District Board inquired as to if the estimated number of calls included calls currently being serviced by AMR, or if the numbers are assuming another ambulance transport company is no longer in the area. Chief Freitag stated that the numbers are based on AMR and/or another provider being in the area. The standard number of ambulances for AMR is supposed to be 11, though the Agency has not seen that in a long time; however, there is potential for AMR to drop that number. He asserted that the estimate is conservative in order to show the Board the worst case scenario. Mr. Wood noted that seasonality was built in, which is important from a cash recognition and cash flow standpoint.

Director Beck inquired as to whether or not the employee costs include retirement and EREs. Chief Freitag responded that those numbers were included. Director Beck also inquired as to if the Agency had plans to back-fill from Operations, noting that the cost might be significant and negatively affect PSPRS funding. Chief Freitag responded that Operations would back-fill and be paid the rate for their unit on that particular day, creating overtime from time to time. Director Beck inquired as to whether the Agency will make annual provisions for review in order to prevent a PSPRS nightmare. Chief Freitag responded in the affirmative, noting that those reviews may happen on a monthly basis. Director Beck stated that he is supportive of the CON effort, but also wants to protect taxpayers.

Adjourned into Executive Session at 5:37 p.m.

**Reconvened into Open Session at 5:51 p.m.**

**Director Gordon inquired as to how the Agency will address patient/guardian's choice of ambulance transport provider. Chief Freitag responded that if the second private ambulance transport company is successful in their CON application, the intention is to put out a Request for Proposal so that the companies may submit a proposal to be the contracted ambulance provider for the area. If CAFMA receives a CON, the other providers would be part of the CAD dispatch system, and the closest unit would respond. The rates are similar for service. CAFMA's intention is to ensure the system works, so the Agency would enter into back-up agreements with the other providers. DHS inquired as to whether CAFMA would apply to cover the City of Prescott. The City made that request, but the response was no because the Agency is not interested in competing with private companies. CAFMA's interest is only in the health and well-being of our citizens, and in a public-private relationship in order to back-up other providers.**

**Motion to approve the submission of the Certificate of Necessity application with the caveat that the resolution will come before the Board at our regular meeting on October 25, 2021.**

Move: Darlene Packard Second: Owen Mills Status: Passed

Yes: Dave Dobbs, Darlene Packard, Matt Zurcher, Owen Mills, Rick Anderson

6. ADJOURNMENT

**Motion to adjourn at 5:55 p.m.**

Move: Rick Anderson Second: Owen Mills Status: Passed

Yes: Dave Dobbs, Darlene Packard, Matt Zurcher, Owen Mills, Rick Anderson

**Signature indicating approval on next page.**

**Signature Page For: 2021 10 12 CEA Special Meeting Minutes - Approved - Central Arizona Fire and Medical Authority Board of Directors - CA Regular Meeting - 10/25/2021**

A handwritten signature in black ink, appearing to read "Darlene Packard". The signature is fluid and cursive, with a large initial "D" and "P".

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Darlene Packard , Board Clerk      10/26/2021