

Rick Speck (bookkeeper), Kathleena Mason (EMS Director), Kitty McNamara & Bob Turner (BIESA members) met on Monday, August 8, 2022, to discuss the Beaver Island EMS cash flow shortage. This is a summary of our meeting.

Beaver Island EMS's budget is based and built on both millage from the townships and cash flow from EMS runs, and more importantly, medical flights using Island Airways.

Our 2022-23 budget was created after reviewing the 2021-22 budget. In 2021, BIEMS had billed 10 medical flights by the beginning of June and had a total of 17 medical flights that year. Based on that knowledge we expected a similar number of medical flights this year and thus only minor changes were made to the budget. As of the beginning of June this year, we had only billed 6 flights. Medical insurance companies can take a minimum of 30-60 days before releasing any payment for EMS runs and a select few can take upwards of 150-300 days. Also, companies like Medicaid will only pay a small percentage of the overall bill and if the patient does not have secondary insurance the rest will either be billed to them or written off if they don't pay. We have since made up for the shortage of medical flight runs with 3 in June and 10 in July. Due to the extended timeframe needed to process payment from insurance companies, we might not start seeing revenue until the end of August/beginning of September and our savings is not enough to sustain us until December.

We have discussed both short and long-term options to help us get through the cash shortage.

1. We have contacted our billing agency, Accumed and they have placed us on priority status. They will be expediting all our runs and getting them billed to the insurance companies ASAP.
2. Depending on how soon we start receiving revenue and how much the insurance companies pay we may have to ask the townships for possible short-term financial support. We will also be asking Island Airways if they will allow us to postpone some future flight payment to them until we get more revenue; this is not a guarantee as we have a contract with Island Airways that provides monthly payment.
3. We may ask the townships to provide short term support from their general funds. We will review the situation at the end of next week (August 18) to determine the specific need and decide which option(s) make the most sense. If it looks like there is a need for township action, we will request that the townships hold a special meeting after the BIESA August 25, 2022 regular board meeting.
4. To combat this from happening again we are going to build our savings to support 6 months of our operational costs. We are currently collecting a millage of 2.6 from the tax payers in Peaine & St James Townships with voter approval to raise up to 3mills. If we start collecting at 3mills we can put the excess into our savings and while it will take some time to build adequate savings, it will be a starting point.

Thank you,

Kathleena Mason

BIEMS Director.