



WHATCOM COUNTY EMS UPDATE MAY 2026

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FINANCIAL AND ACCOUNTABILITY UPDATE

Debbie Arthur

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GOVERNANCE AND MEMBERSHIP UPDATE

Debbie Arthur

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GROUND EMERGENCY MEDICAL TRANSPORTATION (GEMT)

Chief Ben Russell

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DISPATCH (TIME PERMITTING)

Debbie Arthur



FINANCIAL UPDATE

— AND —
ACCOUNTABILITY

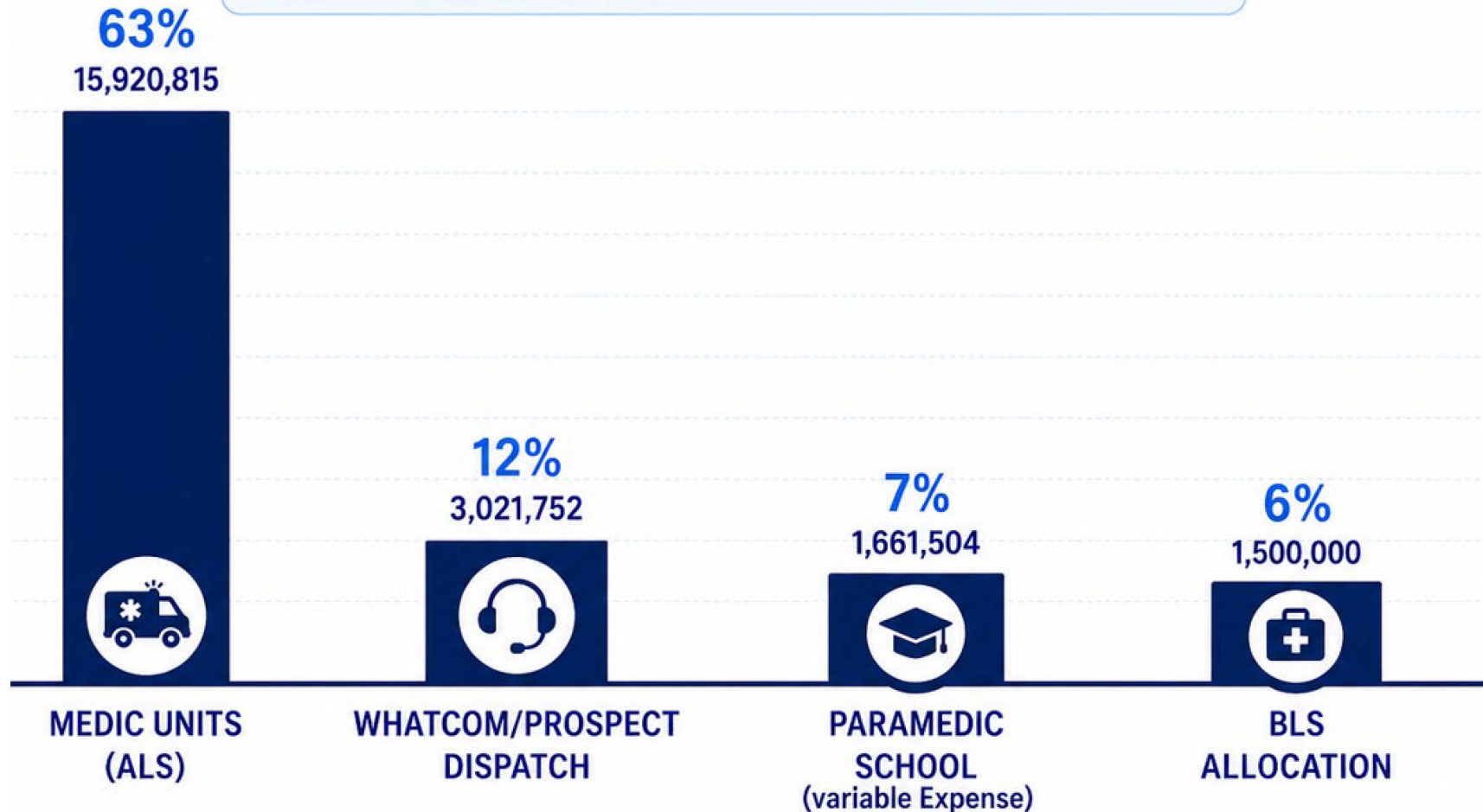


EXPENSES – TOP SOURCES

How WCEMS Levy funds are invested (2025 actual \$)



\$25,342,569 are total WCEMS Levy Funds expenses in 2025.

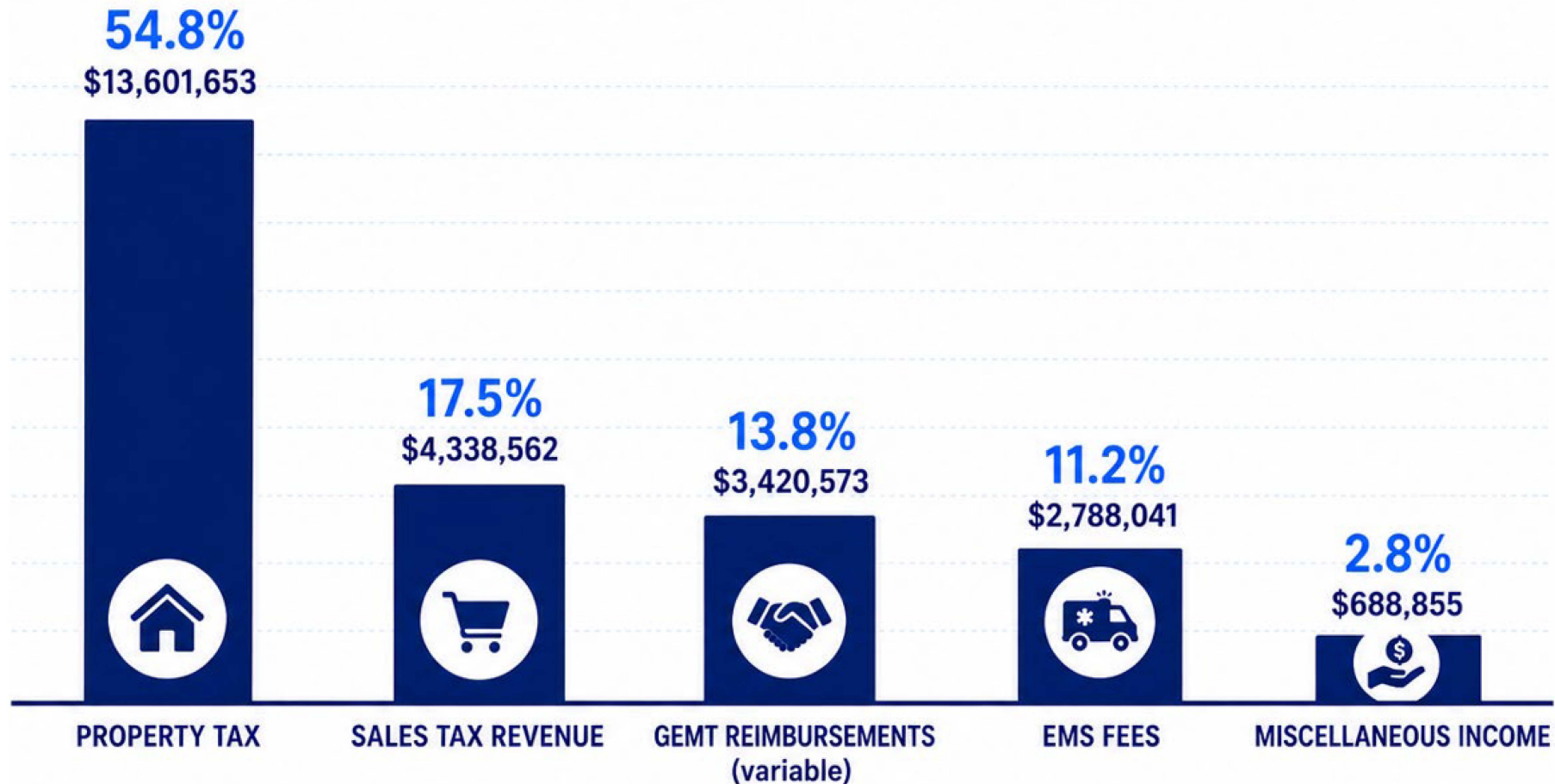


REVENUES – TOP SOURCES

How WCEMS Levy funds are generated (2025 actual \$)



\$24,837,684 are total WCEMS Levy Funds revenues in 2025.



COUNTYWIDE EMERGENCY MEDICAL SERVICES FUND FY2025 YEAR-END SUMMARY HIGHLIGHTS



FY2025 closed stronger than expected with higher revenues, disciplined expense management, and proactive cost containment – while continuing critical EMS services for our community.

FINANCIAL RESULTS

TOTAL REVENUES



\$24.84M

Actual 2025

\$22.52M
Budgeted 2025

10%
above budget

NET REVENUES



\$(0.50M)

Actual 2025

\$(3.00M)
Budgeted 2025

\$2.49M
better than expected

TOTAL EXPENDITURES



\$25.34M

Actual 2025

\$25.51M
Budgeted 2025

Within 1%
of budget

ENDING FUND BALANCE



\$15.80M

Actual 2025

\$13.31M
Budgeted 2025

\$2.49M
more than budgeted

RESERVE STATUS



62.3%

Actual 2025
(of expenditures)

70%
Target

Below target

KEY TAKEAWAY



FY2025 results reflect strong financial performance, with revenues exceeding budget expectations and expenses managed within budget.

However, reserves remain below the 70% policy target and are projected to continue declining.

By 2028 we estimate our reserves to be approximately 30% or \$11 million.

KEY REVENUE DRIVERS

- ✓ **GEMT reimbursements:** \$3.42M vs \$1.90M budget (180% of budget). \$1.52M favorable impact from accrual corrections and year-end adjustments.
- ✓ **EMS fee revenue:** \$2.79M vs \$2.30M budget (121% of budget). Driven by corrected revenue classification and proper accruals.
- ✓ **Property tax:** \$13.60M vs \$13.47M budget (101%).

CONTINUED INVESTMENT IN CORE SERVICES

- ✓ ALS service support for COB and FD7 fully funded.
- ✓ PSAP intake calls at What-comm and EMS/Fire for specific calls at Prospect.

COST CUTTING AND REVENUE INCREASES IN 2026



COST CUTTING MEASURES AND REVENUE INCREASES IN 2026



Reduction of 1.0 FTE
(\$144K in S&B)



Discontinued Car Lease
(\$5,500)



Banked Capacity awarded
which increases our property
tax revenue by **\$2.5 million** in 2026.



**Control or eliminate
discretionary funding requests**



LEVY RATES CHANGE FROM 2023 TO 2026

YEAR	LEVY RATE
2023	0.2525906338
2024	0.220162531987
2025	0.220834849541
2026	0.2589959107



ALIGNING STAFF WITH LEVY PRIORITIES

Early in 2026, we conducted a comprehensive evaluation of staff positions and their value to the administration of the WC EMS Levy. Following a thoughtful review process and extensive consideration with stakeholders throughout the county, we reduced staffing by 1.0 FTE starting on **April 1, 2026**.

Below is our current staffing structure of the WCEMS Administrative Staff and the mission associated with each position. The Core Priority Support Functions are included in the attached packet.



WCEMS Coordinator II

Primary Mission:

Support and strengthen the Whatcom County EMS system by providing high-level administrative, financial, and coordination support so that EMS leadership, fire districts, and oversight boards can make timely, well-informed decisions and meet legal and contractual requirements.



WCEMS Analyst

Primary Mission:

- Ensure data integrity with the county-wide Record Management System. This includes all Fire/EMS dispatch data and patient care records. This data is used for National/State/Local compliance, analysis and performance reporting to support levy accountability and EMS system planning.



WCEMS Administrator

Primary Mission:

To lead and steward a coordinated, sustainable, and high-performing emergency medical services (EMS) system that ensures equitable access to high-quality care for all residents of Whatcom County through effective governance, financial oversight, data-informed decision-making, and strong partnerships.



DRAFT RESERVE POLICY 2026–2028

Andrew Tan, Mayor Korthuis, James Hallett, Debbie Arthur

April 22, 2026

1 PURPOSE OF RESERVES

The purpose of the reserves is to cover unexpected expenses or emergencies. It is not to be used for capital needs.

2 TARGET RESERVE LEVELS

The current reserve policy calls for reserves to remain between 50% and 70%. By the end of the levy cycle, reserves are projected to fall well below that range. By the end of 2028, levy reserves are estimated to be at 30%, which is the minimum acceptable level needed to meet contractual obligations and maintain day-to-day cash flow. A 30% reserve is the target for the end of the current levy cycle.

3 USE OF RESERVES (RULES TO USE)

Use of reserves requires approval by the EOB.

Examples of appropriate reserve use include situations in which contracts cannot be paid, or a significant revenue source declines due to circumstances outside our control.

4 REPLENISHMENT POLICY

If we draw down below the 30% reserve goal:

- Within 30 days, the EMS Manager or Sub-Finance Committee will report to EOB, Sub-Finance Committee, and TAB.
- Within 60 days, the Sub-Finance Committee will meet and make budget adjustments.
- Within 90 days, the Sub-Finance Committee will propose a replenishment plan to the EOB.

5 GOVERNANCE AND OVERSIGHT

- The Sub-Finance Committee will present an analysis of reserve funds at each EOB meeting, including current reserves compared to the approved multi-year reserve plan and forecasted year-end position.
- The Committee will highlight any material variances from the planned reserve trajectory and monitor trends in reserve utilization and budget performance.
- If reserves fall below the planned trajectory, are projected to miss targets, or are drawn down faster than expected, the Sub-Finance Committee will recommend corrective actions.
- The Sub-Finance Committee will review recommendations and determine appropriate actions to maintain alignment with the reserve strategy.
- A minimum reserve threshold (floor) of 25% will be maintained at all times, with any anticipated breach requiring immediate review.

Core Financial Risks



WHERE WE STAND

- Operationally disciplined
- Well-managed in the short term
- Currently solvent

Projections show a classic **structural imbalance**: expenses are growing faster than recurring revenues, causing reserve erosion despite strong current-year performance.

2025 PERFORMANCE OUTPERFORMED EXPECTATIONS



- Revenues exceeded budget by 10%
- Net revenues exceeded expectations by \$2.5M

But much of this appears tied to:

- Accrual timing corrections
- GEMT adjustments
- Delayed payments
- Accounting reclassification



The key long-term mistake would be treating these as recurring operational gains.

REBUILDING RESERVES WILL BE PART OF THE NEW LEVY



- A sustainable levy reserve amount to support current and future service needs

SHIFT TO LONG-RANGE FINANCIAL MODELING



Move from annual budgeting to a rolling 10-year EMS financial forecast.

Include:

- Inflation scenarios
- Recession scenarios
- Medicaid/GEMT reduction scenarios
- Staffing or other infrastructure expansion options
- Levy renewal assumptions
- Reserve floor triggers

RESERVE DEPLETION TRAJECTORY

The reserve target is 70% of expenditures, but projected reserves fall sharply:

Year	Ending Fund Balance	Reserve Target (70%)	Reserve % of Target
2025	\$15.8M	\$17.7M	62.3%
2026	\$15.0M	\$17.9M	57.3%
2027	\$12.8M	\$19.4M	46.1%
2028	\$9.5M	\$20.5M	32.4%



Reserves continue to decline and fall well below the 70% target by 2028, increasing financial vulnerability.

CONTROL OUR LARGEST COST DRIVERS



ALS & DISPATCH CONTRACTS

ALS and dispatch contracts are the largest cost centers. Even modest annual reductions in escalation rates materially improve long-term reserve sustainability.

Focus negotiations on:



Inflation caps



Performance metrics



Shared efficiencies

STRENGTHEN OUR REVENUE STABILIZERS



GEMT REIMBURSEMENTS

GEMT materially outperformed budget in 2025.

Long-term strategy:

- Maximize eligible claims
- Invest in reimbursement expertise
- Monitor state/federal Medicaid rule changes early



This may become one of the system's most important margin stabilizers.

EMS

GOVERNANCE

— AND —

MEMBERSHIP



Whatcom County EMS Levy Governance and Authority

AUTHORITY



The Whatcom County EMS system is authorized by:

- Whatcom County Code 5.04.080
- Whatcom County Code 5.04.085



In the absence of separate formal bylaws for the EMS Oversight Board (EOB) and Technical Advisory Board (TAB), governance and operations are guided by:

- Whatcom County Code Chapter 2.03, Advisory Boards, which establishes requirements for membership, appointments, terms, removal, and adoption of operating procedures.



Together, these authorities provide the foundation for transparent, accountable, and consistent EMS system governance.

GOVERNANCE STRUCTURE



EMS EXECUTIVE OVERSIGHT BOARD (EOB)

Makes recommendations for Levy funded activities and expenses including policy direction, financial oversight, and strategic guidance for the Countywide ALS system.



FINANCE SUB-COMMITTEE

Reviews revenues, expenditures, and reserve levels. Provides analysis and recommendations to support informed decision-making and long-term financial sustainability.



TECHNICAL ADVISORY BOARD (TAB)

Advises the EOB and EMS providers on the operational, educational and logistical components of the Levy supported ALS services.



MEDICAL DIRECTION & CLINICAL OVERSIGHT

Led by the Medical Program Director, who establishes clinical protocols, standards of care, and quality assurance processes for the countywide system. Supported by regional supervising physicians providing agency- and service area-specific oversight.

- **Dr. Ralph Weiche** – Medical Program Director
- **Dr. Emily Welch** – BLS system oversight
- **Dr. Brian McNeilly** – Bellingham Fire Department
- **Dr. Michael Sullivan** – Whatcom County Fire District 7

GOVERNANCE UPDATES – CODE REVISIONS APPROVED

APRIL 28, 2026



EXECUTIVE OVERSIGHT BOARD (EOB)

- Updated language from “citizen” to “community” representatives
- Expanded descriptions of community representative roles to be broader and more inclusive
- Added process for annual designation of Chair and Vice Chair
 - Vice Chair may serve as interim Chair when needed
- Added descriptors for Levy Planning Community Committee members:
 - “Community members who reflect diverse perspectives and community representation”



TECHNICAL ADVISORY BOARD (TAB)

- Formalized appointment of a representative from Prospect Center
 - Reflects current practice and updates outdated code language
- Updated Chair and Vice Chair appointment process:
 - Now jointly appointed by the County Executive and Mayor of Bellingham



REMOVED FROM REVISED SUBSTITUTE ORDINANCE

“Establishing a process and timeline for an independent external review and evaluation of the EMS Levy, EMS Levy Plan, and the countywide fire and EMS system was suggested.”



STAKEHOLDERS EXPRESSED CONCERNS REGARDING:

- Lack of clarity of how and what will be measured and the overall process.
- Undefined funding source



MOVING FORWARD

Stakeholders remain willing to collaborate with Council on future audit efforts, including:

- Defining the scope and desired outcomes of audits related to EMS Levy-funded services and programs
- Establishing audit metrics, evaluation criteria, and review processes

MEMBERSHIP & BOARD ADMINISTRATION UPDATES



MEMBERSHIP REVIEW & COMPLIANCE AUDIT

- Conducted full audit of:
 - Board membership
 - Appointment letters
 - Length of service



MEMBERSHIP CHANGES

- One EOB member exceeded term limits and is no longer serving
- One EOB member resigned due to time constraints
- One EOB member reapplied through formal appointment process after missing documentation was identified.
 - Liz Baxter was jointly approved by the Executive and Mayor
- One TAB member currently ill and assigned a designee to complete the term as the Medical Representative



ADMINISTRATIVE IMPROVEMENTS

- Current EOB vacancies are publicly posted
- Appointment letters will now be maintained jointly by:
 - EMS Office
 - Executive Office



Ground Emergency Medical Transportation

Washington State GEMT Program

Payment Structure, Reconciliation & Long-Term Sustainability

Presented to the Whatcom County Council | May 2026



Washington State GEMT Program

Washington's GEMT program provides supplemental payments to publicly owned or operated ambulance providers that aim to close the cost gap between Medicaid reimbursements and true provider costs.



Washington House Bill 2007

The GEMT Program was created during the 2015-2016 legislative session. Washington is one of 28 states that currently participate.



Health Care Authority

State Medicaid agency that administers Apple Health, reviews provider cost reports, and draws federal matching funds for GEMT supplemental payments



Eligible WA Providers

Publicly owned/operated by state, city, county, fire district, tribe, or any unit of government per 42 CFR 433.50

Whatcom County at a Glance

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Agencies that Remit GEMT Funds to the EMS Levy (WCFD7 and BFD)

~235K

County population (U.S. Census, 2024)

22.6%

Approximate percentage of Whatcom County residents enrolled in Medicaid (Apple Health) in 2023-2024. (Georgetown University, 2025)

Payment Overview

How Washington's GEMT supplemental payments work



Step 1

Provider Delivers GEMT Service

Publicly owned/operated provider transports a Washington Apple Health (Medicaid) enrollee via ground emergency ambulance.



Step 2

Medicaid Based Payment (Monthly)

Provider receives Apple Health reimbursement based upon the initial rate set by the individual agency through the normal billing process.



Step 3

Cost Certification (CPE)

Provider certifies annual actual costs per GEMT transport to HCA. Both ALS agencies contract with a third-party to optimize amounts subsequent reimbursement



Step 4

Supplemental Payments (Interim and Final True-Ups)

Supplemental payment closes any remaining gap up to 100% of actual costs through a series of two payments. Supplemental payment(s) can result in remittance back to HCA if monthly payments were excessive or audit findings locate other problems.

Payment Timing & Reconciliation



01 Monthly Revenue

Providers receive “monthly” payments equal to the number of eligible transports times the agency’s interim rate. Insurance processing can take up to 120 days.

02 Cost Reporting

Providers submit CMS-approved cost reports to the HCA Financial Services Division by November 30 of each WA state fiscal year (July 1 - June 30).

03 Interim Payment

HCA compares certified costs to aggregate monthly payments. Supplemental payments cannot exceed 100% of actual costs when combined with all reimbursement sources. Typically paid during the following Summer or later.

04 Final Payment(s), or True-Up(s)

Once contested claims and services reach resolution, they are incorporated into the final payment(s)—which may yield a negative balance. Approximately three years typically pass before this payment is issued. Providers may also be required to return funds following annual audits.



Governed by WAC 182-546-0510 through 182-546-0545 and HCA's GEMT Billing Guide (April 2025 edition)

Long-Term Sustainability

Federal and state-level pressures on Washington's GEMT program

Key Challenges



OBBBA Medicaid Cuts

Federal Medicaid spending reduced ~\$911B over a decade; WA as an expansion state with SDP use faces significant budget pressure.



Enrollment Uncertainty

New requirements could shrink WA's 1.95M Apple Health enrollment, reducing GEMT transport volume and claim eligibility.



CMS Cost Allocation Scrutiny

Tighter enforcement requires strict separation of fire/rescue costs from GEMT-eligible expenditures in provider cost reports. Some original Medical Transportation Services (MTS) costs are now classified as non-MTS and not factored into true provider costs.



State Program Audits

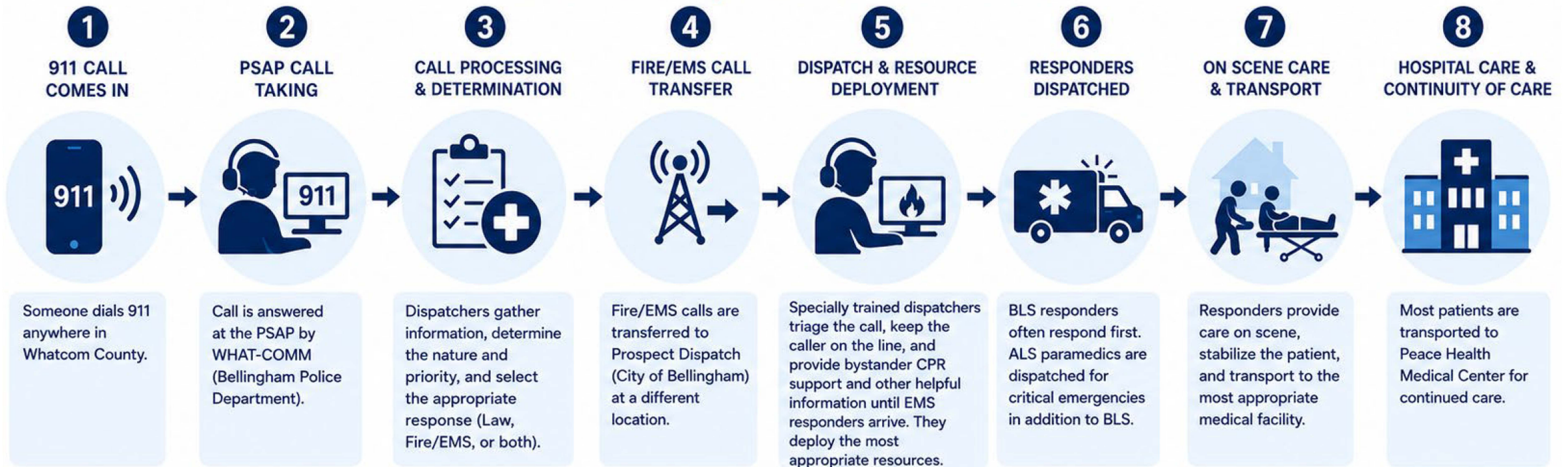
Since 2023, Myers and Stauffer, LLC, has served as HCA's contracted auditor for GEMT program accuracy and compliance. Their involvement has driven additional policy adjustments and corresponding decreases in provider reimbursements.

DISPATCH



FROM 911 CALL TO HOSPITAL CARE

A coordinated system. A continuum of care.



This system ensures efficient call triage, the right resources, and real-time coordination across agencies and jurisdictions—helping ensure a consistent and integrated response across Whatcom County.



WCEMS pays 80% of the Fire/EMS Dispatching costs not covered by Washington State 911 tax dollars.



\$2.5 MILLION of our PSAP costs are covered by Washington State 911 tax dollars.

State 911 tax dollars do not cover all PSAP costs for the county.

OUTSTANDING PSAP COSTS ARE SPLIT BETWEEN:



LAW DISPATCHING
\$1,858,030
(74%)



FIRE/EMS DISPATCHING
\$653,840
(26%)



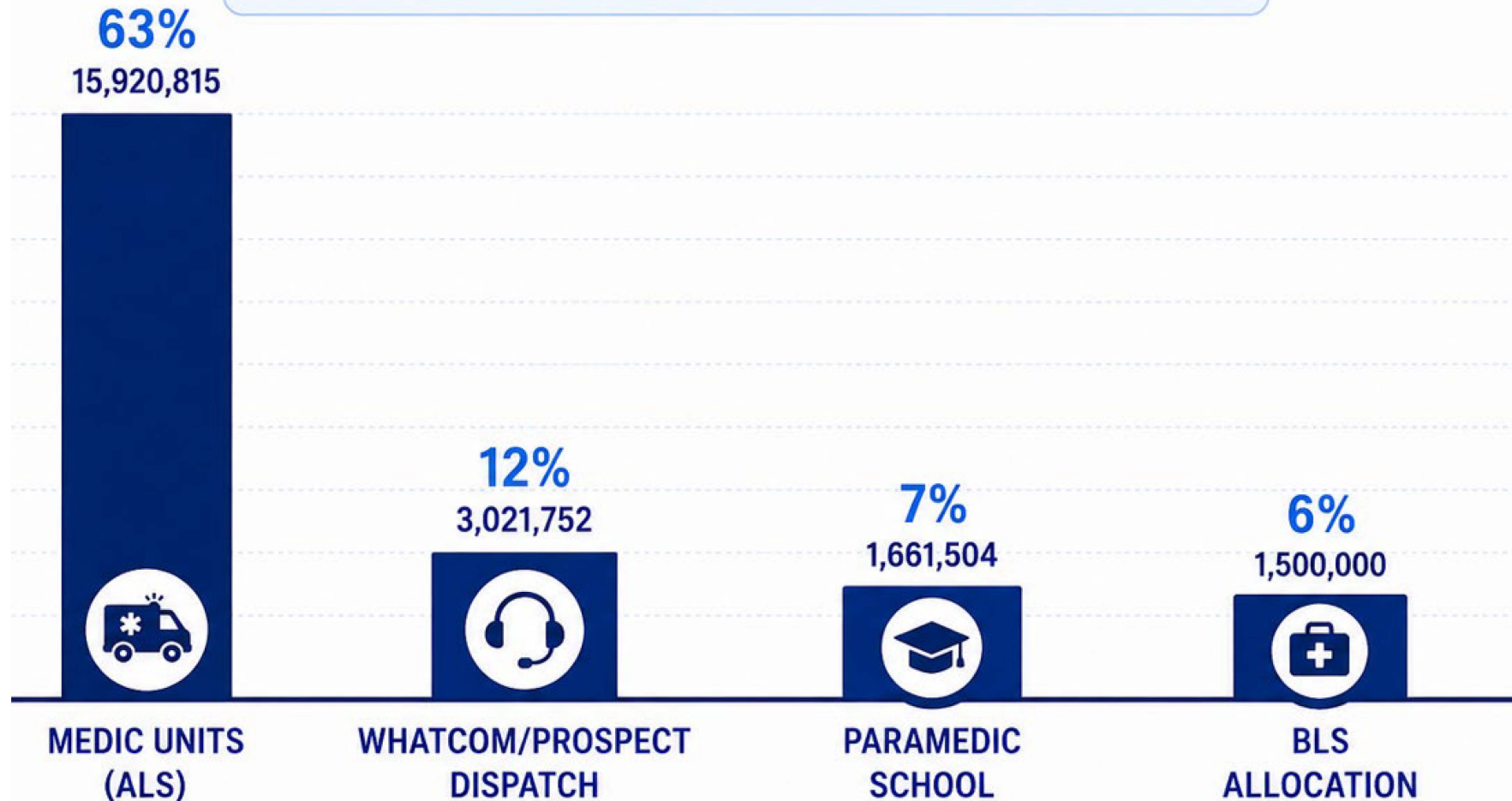
PSAP (call taking) is provided by WHAT-COMM (Bellingham Police Department). Fire/EMS calls are handled by Prospect Dispatch (City of Bellingham) at a different location.

EXPENSES – TOP SOURCES

How WCEMS Levy funds are invested (2025 actual \$)



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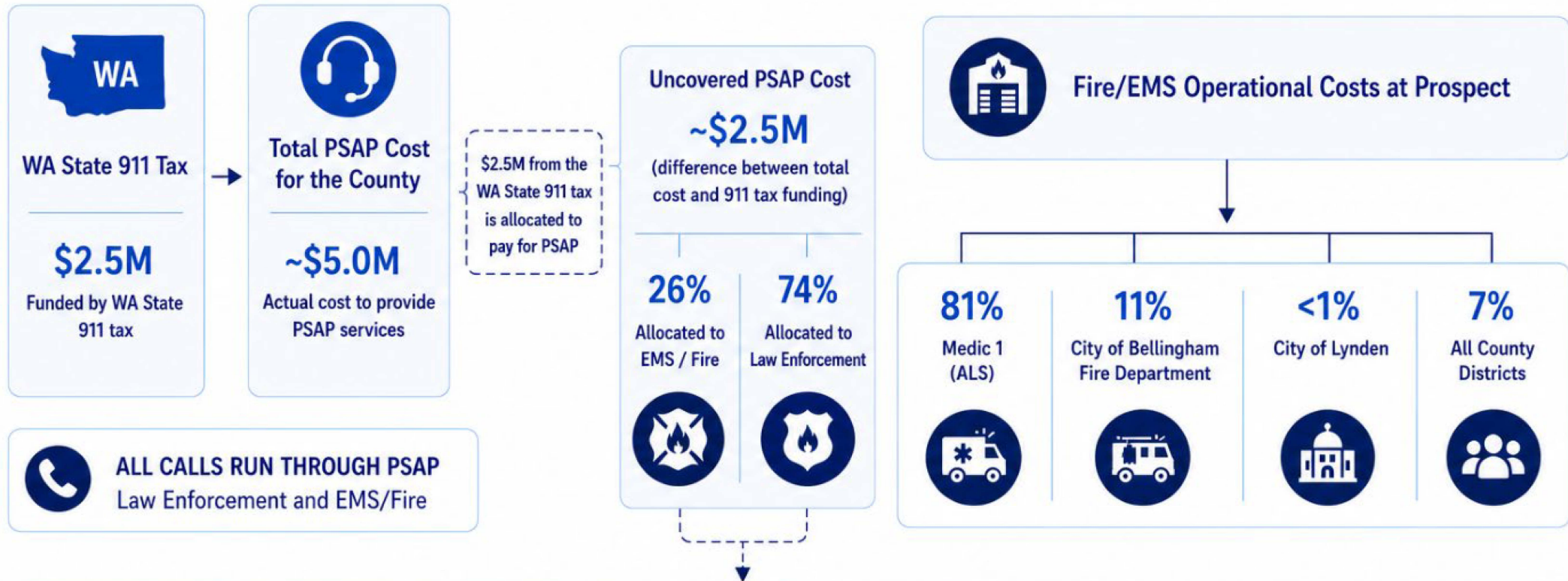
WCEMS EXPENSE BUCKETS

FROM WHAT-COMM (BPD) & PROSPECT (BFD)

From Funding Source to Final Allocation

1 PUBLIC SAFETY POINT (PSAP) FUNDING AND ALLOCATION AND ADDITIONAL FEES (TECHNOLOGY, FEES TO SUPPORT COB'S DEBT SERVICE PAYMENTS WHICH WILL START IN 2027)

2 FIRE/EMS OPERATIONAL COSTS ALLOCATION AT PROSPECT



i Summary: WA State 911 tax funds \$2.5M toward PSAP services. The remaining PSAP cost is split 26% to EMS/Fire and 74% to Law Enforcement. Fire/EMS operational costs at Prospect are then allocated by percentage to Medic 1 (ALS), Bellingham Fire, City of Lynden, and all County Districts.

PSAP + ALS MEDIC 1 EXPENSES



YEAR	PSAP + ALS MEDIC 1 EXPENSES	INCREASE FROM PREVIOUS YEAR
✓ 2024 ACTUAL	2,775,734.00	—
✓ 2025 ACTUAL	3,021,752.00	8.86%
✓ 2026 BUDGETED	3,297,285.00	9.12%
📊 2027 PROJECTED	3,625,368.00	9.95%
📊 2028 PROJECTED	3,879,144.00	7.00%



In 2027 WCEMS will have an extra fee to help cover COB's debt service.



*Note, PSAP + ALS Medic 1 expenses are about 81% of the total Fire/EMS costs. The other amounts are allocated to BFD, City of Lynden and the other county districts.



WHATCOM COUNTY EMS UPDATE MAY 2026

THANK YOU

TO OUR TEAM AND PARTNERS FOR THEIR SUPPORT



Thank you to Diana Clinch
for data support and insights that
inform our decisions.



Thank you to Whatcom County Council
for your leadership, partnership,
and continued support of EMS.



Thank you to Chief Ben Russell
for presenting on Ground Emergency
Medical Transportation (GEMT).



Thank you to the County Executive
for your leadership and continued
investment in EMS.



**Thank you to James Hallett, Scott Kortuis,
Andrew Tan, and the Finance Committee**
for your financial leadership, guidance,
and continued support.



Thank you to Justin Rasmussen
for spending time with us
to understand What-com Operations.



Thank you to Chief Dan McDermott
for spending hours with me
at Prospect.



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