

SERVICE PLAN
FOR
MOFFAT COUNTY HEALTH SERVICE DISTRICT
IN
MOFFAT COUNTY, COLORADO

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I. INTRODUCTION

This Service Plan is presented for organization of the Moffat County Health Service District (the “District”) pursuant to Article 19, Title 32, Colorado Revised Statutes (C.R.S.) and applicable provisions of the Colorado Special District Act, C.R.S. § 32-1-101, *et seq.* The purpose of the District is to provide dependable emergency medical services and promote community health through a united, county-wide health service district. The District will be located in and throughout Moffat County, Colorado.

Pursuant to C.R.S. § 32-19-106, the following information is included in this Service Plan:

- A. Description of the District facilities to be established, maintained, or operated;
- B. Quality assurance measures;
- C. Financial plan showing how the facilities or services will be financed, including proposed operating revenue from property taxes for the first budget year of the District;
- D. Map of the District boundaries;
- E. General description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of Moffat County and the municipalities in which the District is located;
- F. General description of the estimated cost of acquiring or leasing land or facilities, engineering services, legal services, administrative services, initial proposed indebtedness and estimated maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District;
- G. Description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the District and such other political subdivision, including the form of contract to be used, if available; and
- H. Evidence of sufficient existing and projected need for organized facilities and/or services of the District and that the District is capable of providing economical and sufficient services within its boundaries.

II. PURPOSE AND ORGANIZATION OF THE DISTRICT

The purpose of the District is to finance, furnish, maintain, and operate emergency medical facilities and services, including without limitation ambulance services, for the constituents of Moffat County. The District will provide funding and resources for coordinated and timely emergency medical services throughout Moffat County.

The District will be organized pursuant to Article 19, Title 32, C.R.S. and the Special District Act. It will be governed by a five-person board of directors who will be elected at-large. The board of directors may exercise all powers and authorities granted to it by law.

III. DISTRICT SERVICES AND FACILITIES

The District shall have all of the powers and may provide all of the services, facilities, and operations of a health service district as provided in the Special District Act, including without limitation the powers and services provided in C.R.S. §§ 32-1-1001 and -1003, and in Article 19, Title 32, C.R.S. The District shall have the power and authority to contract with other private or governmental entities for the facilities, services, and operations the District is authorized or empowered to provide.

While the District will have the power to provide any and all services which health service districts are authorized by State statute to provide, the initial intention is for the District to focus on medical transportation and emergency medical services. The District will provide for coordinated and stable emergency medical services throughout Moffat County. District funding and partnerships will allow for the expansion of emergency medical services to remote and rural areas of the County, equip ambulances with the tools necessary to respond to a medical emergency, and help ensure long term stability and local control over EMS services in Moffat County.

Currently, emergency medical services are provided through several EMS agencies that exist in the county:

- Community Clinics at Memorial Regional Health d/b/a Memorial Regional Health EMS is housed in the City of Craig and serves the City of Craig and surrounding Moffat County, its service area extending west to Highway 40 at mile marker 75 and to the East at the Routt / Moffat County line. Memorial Regional Health EMS is the busiest agency in the region and responds to about 1900 calls annually in the eastern portion of Moffat County.
- Maybell Volunteer Ambulance is housed in Maybell, Colorado and responds to approximately 40 calls for service annually. Maybell volunteers serve the entire county north / south from Highway 40 mile marker 75 west to mile marker 30 and northwest along Colorado State Highway 318 to the Wyoming and Utah borders.
- Artesia Fire Protection District responds to calls for service in the southwest portion of Moffat County, bordered on the south by Rio Blanco County line to the Yampa River through Dinosaur National Monument to the north. Artesia Fire Protection District does not have transport capabilities and relies on mutual aid ambulance response from the Town of Rangely, Colorado and from Gold Cross Ambulance based in Vernal, Utah.
- Moffat County EMS Reserves were founded in 2015 and report to Moffat County Office of Emergency Management. The reserves are a volunteer group of EMS providers that perform event standby and mutual aid response. The reserve ambulance is housed at Colorado Northwestern Community College (CNCC) and is used in the EMS education program.

Creation of the District will consolidate EMS services and funding streams, improving upon the fragmented services Moffat County currently relies on. Through District funding and partnerships with existing EMS agencies, the District will acquire or share utilization of facilities,

equipment, and personnel and will operate to meet emergency medical service needs throughout the District as described below.

- Craig Division: The District will allocate four ambulances to serve as primary emergency response to the City of Craig and surrounding area. The Craig Division will be staffed with a mix of full-time, part time, and per diem employees with a State of Colorado Emergency Medical Responder, Technician, or Paramedic certification, as appropriate.
- Reserve Division: One ambulance will remain as reserves for the purposes of backup emergency response, co-response with Moffat County Search and Rescue, regional response to wildland fires and requests for mutual aid, miscellaneous event standby, and training. The reserves ambulance will continue to be housed at Colorado Northwestern Community College, as it exists today. The Reserve Division will be staffed with paid and/or volunteer personnel in possession of a State of Colorado Emergency Medical Responder, Technician, or Paramedic certification, as appropriate.
- Maybell Division: Two ambulances will be housed in the community of Maybell and be used for emergency response, as it exists today. The Maybell Division will be staffed with paid and/or volunteer personnel in possession of a State of Colorado Emergency Medical Responder, Technician, or Paramedic certification, as appropriate.
- Artesia Division: Two ambulances will be housed within the Town of Dinosaur and used for emergency response. The Artesia Division will be staffed with paid and/or volunteer personnel in possession of a State of Colorado Emergency Medical Responder, Technician, or Paramedic certification, as appropriate.

In addition to the above services, Moffat County Health Service District will pursue, establish, and maintain training center status in accordance with the State of Colorado Department of Public Health and Environment. Training center status ensures the District provides validated and quality continuing education to employees and volunteers of the District. Training aids, supplies and materials will be shared and available to all employees and volunteers of the District.

Over time, as determined by the District Board of Directors, the District may acquire additional ambulances or equipment or build additional facilities to house equipment and ambulances and further aid in the provision of emergency medical services by the District. The District will ensure that any facilities or improvements constructed by the District are designed and constructed in accordance with applicable standards and specifications of Moffat County or of any municipality in which such facilities or improvements are located, as applicable, and that it obtains applicable permits for such construction.

IV. QUALITY ASSURANCE MEASURES

In its operations, the District will strive to comply with applicable Federal, State of Colorado, regional, and local laws and regulations pertaining to EMS and ambulance responses. District ambulances will be licensed in accordance with Moffat County ambulance licensing regulations through Moffat County EMS Council. District employees and volunteers will be

certified or licensed in accordance with the requirements of the State of Colorado Department of Public Health and Environment. Additionally, the District will pursue, establish, and maintain training center status in accordance with the State of Colorado Department of Public Health and Environment. Training center status ensures the District provides validated and quality continuing education to employees and volunteers of the District.

V. NEED FOR THE DISTRICT

While the District will have the power to provide any and all services which health service districts are authorized by State statute to provide, the current intention is for the District to focus on medical transportation and emergency medical services to all of Moffat County. Moffat County is geographically large, comprising 4751 square miles and having a 2019 population of 13,283 people. There is an existing and projected need for ambulance and emergency medical services throughout Moffat County's geographic area: Memorial Regional Health EMS responds to nearly 2000 calls for service annually; Maybell Volunteer Ambulance and Artesia Fire Protection District each respond to roughly 40 calls for service annually; and call volumes have increased on average 4.4% annually since 2010.

Existing emergency medical services in Moffat County are inadequate to meet those needs. Current emergency medical services are provided in a fragmented fashion by several EMS agencies with varying levels of funding and service. EMS departments operate at a significant financial loss to Memorial Regional Health and Moffat County. There is currently no ambulance service in the Town of Dinosaur, and there is a limited pool of qualified volunteers across the County. Based on a 2014 study by the Colorado Emergency Medical Trauma and Advisory Council, a single, county-wide EMS agency is the ideal model to deliver EMS in Moffat County.

A single District is needed to provide governance and public funding for coordinated, stable, and reliable emergency medical response services to the community of Moffat County. District funding and partnerships will provide for the expansion of emergency medical services to remote and rural areas of the County where services are currently lacking, will equip ambulances with the tools necessary to respond to a medical emergency, and will help ensure long term stability and local control over EMS services in Moffat County, all in an economical manner.

VI. LOCATION AND BOUNDARIES

The District will consist of the entire County of Moffat, its boundaries being the same as the County's boundaries. Moffat County comprises 4751 square miles and is situated in the northwest corner of Colorado. A map of the District is attached hereto as Exhibit A.

VII. FINANCIAL INFORMATION

A financial plan including an operating budget for the fiscal year 2022 and a ten-year forecast model through 2032 is attached to this Service Plan as Exhibit B and incorporated herein by reference (the "Financial Plan"). The Financial Plan demonstrates that the District is capable of providing economical and sufficient services within its boundaries.

The operating budget of the Financial Plan projects first year operating costs will total approximately \$1,175,000. Revenue sources under the plan include billing insurance carriers and patients for EMS services (estimated to cover 34% of operating costs) and property taxes collected from an operating mill levy to be levied by the District (covering the remaining 66% of operating costs). The Financial Plan projects that a mill levy of up to 2.5 mills will produce revenue sufficient to support operation of District.

The District currently does not have plans to construct any facilities, but the Financial Plan includes a contingency for acquisition of major equipment (such as ambulances) or building lease/acquisition if deemed appropriate by the District Board of Directors. By resolution, Memorial Regional Health has committed to provide five ambulances and other equipment to the District upon its formation, which will help alleviate the District's up-front facilities/equipment acquisition costs. (See MRH Board of Trustees Resolution No. 2021-1 included in Exhibit C.) The District also intends to pursue other funding partnerships and capital grants, but the Financial Plan does not assume or rely on any income from such sources.

VIII. ARRANGEMENT FOR PERFORMANCE OF SERVICES

The District intends to partner with Memorial Regional Health for the provision of support services and use of facilities. Specifically, the District will pursue an intergovernmental agreement with Memorial Regional Health whereby MRH will provide support services (e.g., human resources functions, accounting services, and computer system IT services) and use of facilities (District EMS offices, sleeping quarters, and ambulance bays would be housed at Memorial Regional Health) to the District for a monthly fee. Additionally, as noted above, Memorial Regional Health has committed by resolution to supply ambulances and equipment to the District upon its approval/formation. The District may also partner with other agencies or organizations, as available and deemed appropriate by the Board of Directors, to support EMS services throughout the District.

IX. MODIFICATION OF SERVICE PLAN

Pursuant to C.R.S. § 32-1-207, the District shall obtain the approval of Moffat County before making any material modifications to this Service Plan. Material modifications include modifications of a basic or essential nature, including but not limited to: any addition to the types of services provided by the District; a decrease in the level of services; a decrease in the financial ability of the District to discharge the existing or proposed indebtedness; or a decrease in the existing or projected need for organized service in the area. Inclusion of property that is located in a county or municipality with no other territory within the District may constitute a material modification of the Service Plan.

X. DISCLOSURE STATEMENT

Upon formation, the District shall record with the Moffat County Clerk and Recorder a special district disclosure statement containing the information required by C.R.S. § 32-1-104.8 and map of the District's boundaries.

EXHIBIT A

Map of District

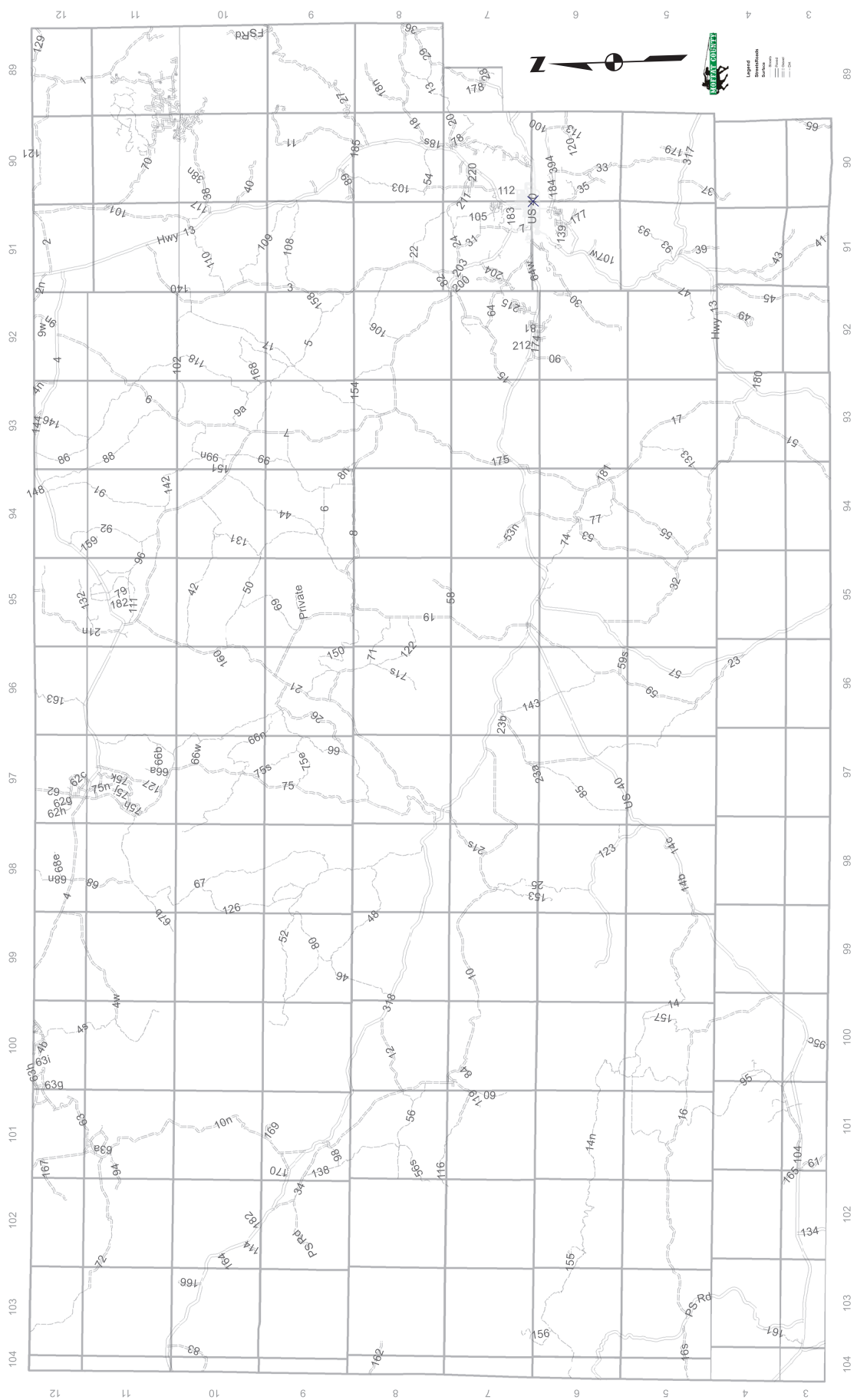


EXHIBIT B
Financial Plan

Proposed Moffat County Health Service District**

Proposed Revenues and Expenses

Proposed Budget Year December 31, 2022

1	Acute Run Volume**	1,875
2	Revenue Gross Charges	\$1,010,000
3	Revenue Deductions (contractual discounts and Bad Debts)	\$ (605,000)
4	Net Patient Revenue	<u>\$405,000</u>
5	Salaries & Wages	\$680,000
6	Benefits	\$165,000
7	Purchased Services	\$48,000
8	Medical Supplies	\$108,000
9	Minor Equipment	\$10,000
10	Utilities	\$15,000
11	Repairs / Maintenance	\$30,000
12	Lease / Rentals	\$10,000
13	Insurance	\$25,000
14	Travel & Education	\$5,000
15	License & Dues	\$16,000
16	Miscellaneous	\$15,000
17	MRH Support Services (HR, Accounting, IT services)	<u>\$48,000</u>
18	Total Operating Expenses	<u>\$1,175,000</u>
19	Operating Income (Loss)	<u>\$ (770,000)</u>

** Based upon consolidated services of:
EMS of MRH, Maybell, Reserves and Artesia.

Proposed Property Tax Support

Moffat County Assessed Valuation:	\$ 430,546,790
One Mill	0.001
Tax Revenue per Mill	<u>\$ 430,547</u>
Tax Revenue for 2.5 Mills	<u>\$ 1,076,367</u>
Average Household will pay (per year).....	<u>\$ 35.75</u>

Moffat County Health Service District
Proposed Ten Year Cash Forecast
 Ten years Ended 2031

	A	B	C	D	E	F	G	H	J	K
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Source of Funds										
1 County Assessed Valuation (Note #1)	\$ 430,546,790	\$ 430,546,790	\$ 430,546,790	\$ 430,546,790	\$ 399,547,422	\$ 368,548,054	\$ 337,548,686	\$ 306,549,318	\$ 275,549,950	\$ 275,549,950
2 Assessed Mills	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
3 EMS Tax Revenue	\$ 1,076,367	\$ 1,076,367	\$ 1,076,367	\$ 1,076,367	\$ 998,869	\$ 921,370	\$ 843,872	\$ 766,373	\$ 688,875	\$ 688,875
4 Net Patient Revenues (Note #2)	\$ 405,000	\$ 421,200	\$ 438,048	\$ 455,570	\$ 473,793	\$ 492,744	\$ 512,454	\$ 532,952	\$ 554,270	\$ 576,441
5	\$ 1,481,367	\$ 1,497,567	\$ 1,514,415	\$ 1,531,937	\$ 1,472,661	\$ 1,414,115	\$ 1,356,326	\$ 1,299,326	\$ 1,243,145	\$ 1,265,316
Total Source of Funds	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Use of Funds										
6 Operations: Salaries & Benefits (Note #3, #4)	\$ 845,000	\$ 862,745	\$ 880,863	\$ 899,361	\$ 918,247	\$ 937,531	\$ 957,219	\$ 877,320	\$ 895,744	\$ 914,555
7 Medical supplies & Purchased Services	\$ 166,000	\$ 169,486	\$ 173,045	\$ 176,679	\$ 180,389	\$ 184,178	\$ 188,045	\$ 191,994	\$ 196,026	\$ 200,143
8 Utilities/Repairs/Insurance/Licenses	\$ 86,000	\$ 87,806	\$ 89,650	\$ 91,533	\$ 93,455	\$ 95,417	\$ 97,421	\$ 99,467	\$ 101,556	\$ 103,688
9 Support Services & Other Expenses	\$ 78,000	\$ 79,638	\$ 81,310	\$ 83,018	\$ 84,761	\$ 86,541	\$ 88,359	\$ 90,214	\$ 92,109	\$ 94,043
10 Total Operational Expenses	\$ 1,175,000	\$ 1,199,675	\$ 1,224,868	\$ 1,250,590	\$ 1,276,853	\$ 1,303,667	\$ 1,331,044	\$ 1,258,996	\$ 1,285,435	\$ 1,312,429
11 Contingency--building lease/major equipment (Note #5)	\$ 85,000	\$ 86,785	\$ 88,607	\$ 90,468	\$ 92,368	\$ 94,308	\$ 96,288	\$ 98,310	\$ 100,375	\$ 102,483
12	\$ 1,260,000	\$ 1,286,460	\$ 1,313,476	\$ 1,341,059	\$ 1,369,221	\$ 1,397,975	\$ 1,427,332	\$ 1,357,306	\$ 1,385,809	\$ 1,414,911
13 Annual Cash Excess (Shortage)	\$ 221,367	\$ 211,107	\$ 200,939	\$ 190,878	\$ 103,440	\$ 16,140	\$ (71,006)	\$ (57,980)	\$ (142,664)	\$ (149,595)

Cash Balances										
14 Beginning Cash Balance	\$	\$ 221,368	\$ 432,475	\$ 633,414	\$ 824,293	\$ 927,733	\$ 943,873	\$ 872,867	\$ 814,887	\$ 672,223
15 Ending Cash Balance	\$	\$ 221,368	\$ 432,475	\$ 633,414	\$ 824,293	\$ 927,733	\$ 872,867	\$ 814,887	\$ 672,223	\$ 522,627

Comments/Notes:

- =1 County Assessed Valuations includes a \$93,000,000 reduction over a three year period, beginning in 2027 for anticipated reductions caused by the closure of power plant and mine.
- =2 CPI for patient prices is projected annually at **4.00%**
- =3 CPI for operational costs is projected annually at **2.10%**
- =4 Salaries and Benefits includes a \$100,000 reduction in year 2029 based on assumption of lower run volumes, due to lower patient volumes.
- =5 Contingency for capital needs assumes no external sources (grants or contribution) of funding for the ten year period. Applicant DOES intend to apply for capital grants whenever available).

EXHIBIT C

MRH Board of Trustees Resolution 2021-1

BOARD OF TRUSTEES OF MEMORIAL REGIONAL HEALTH

RESOLUTION 2021 – 1

Approving a Resolution Adopting the Transition of Emergency Medical Services (EMS) in Moffat County

Whereas, The Memorial Hospital, doing business as Memorial Regional Health, (MRH) is a rural county hospital as defined by Colorado Revised Statute Section 25-3-301, et. seq.;

Whereas, the Board of Trustees (BOT) for MRH is a duly and regularly created, established, organized and existing public hospital board created by Moffat County, Colorado, pursuant to Title 25, Article 3, Part 3, C.R.S. (Hospital Act) and existing as such under and pursuant to the constitution and laws of the State of Colorado;

Whereas, the BOT supports the goal of providing a sustainable EMS for Moffat County as a community priority;

Whereas, the BOT acknowledges that every governmental entity within the City of Craig and Moffat County, including MRH, has attempted historically to provide the delivery of EMS, and have separately been unable to financially sustain EMS indefinitely;

Whereas, the BOT also acknowledges that the current EMS delivery model is not sustainable as MRH continues to fund in excess of \$750,000.00 annually through its closely held 501c3 Corporation Community Clinics while at the same time providing fragmented EMS in Moffat County.

Whereas, the BOT supports the creation of a special EMS district and independent governing board separate from and without any competing interests with MRH, along with dedicated financial resources to operate an on-going and coordinated service in Moffat County;

Whereas, the BOT recognizes that if Moffat County voters successfully establish the special district, MRH should review and commit to a formal recommendation to the Board of Directors, Community Clinics at MRH, (Community Clinics) that it transfer 100% of its EMS assets to the new special district without cost, subject to any binding transfer restrictions MRH or Community Clinics may have (e.g., former grants, etc.). These assets would include five (5) ambulances, significant capital, and minor equipment. The estimated contribution from the entities to the new district in fixed assets and minor equipment is approximately \$965,594.55 based on March 2021 financial reporting;

Whereas, the BOT acknowledges that MRH will therefore no longer provide the management assistance and financial support of EMS in Moffat County; and

Whereas, the BOT understands that MRH should independently provide notice to the community that it will cease providing EMS on a future date not yet determined, providing completion of the appropriate legal notice to the Moffat County Board of County Commissioners and other government stakeholders.

Therefore, it is resolved by the Board of Trustees of Memorial Regional Health that:

1. The current EMS delivery model is not sustainable as MRH continues to fund at a loss in excess of \$750,000.00 annually to support, while at the same time providing fragmented EMS in Moffat County;
2. MRH supports the creation of an independent governing board and special EMS district with dedicated financial resources to operate an on-going and coordinated service in Moffat County;
3. MRH shall both review and commit to a formal recommendation to the Board of Directors, Community Clinics at MRH, (Community Clinics) that it transfer 100% of its EMS assets to the new district without cost, subject to any binding transfer restrictions MRH may have (e.g., former grants, etc.). These assets would include five (5) ambulances, significant capital, and minor equipment. The estimated contribution from both entities to the new district in fixed assets and minor equipment is approximately \$965,594.55 based on March 2021 financial reporting;

4. MRH shall cease to provide EMS funding, management assistance and financial support in Moffat County; and
5. MRH shall independently provide notice to the community that it will cease providing EMS funding on a future date not yet determined, providing completion of the appropriate legal notice to the Moffat County Board of County Commissioners and other government stakeholders.

Adopted this 25th day of March, 2021.

Board of Trustees of Memorial Regional Health

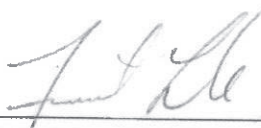


Kelly Hepworth, Chair

Approved: March 25, 2021

Secretary's Certification

I, Forrest Luke, Secretary of The Memorial Hospital, doing business as Memorial Regional Health, hereby authenticate and certify that the preceding Resolution was duly approved by the Board of Trustees at a duly called meeting of the Trustees on March 25, 2021 at which a quorum was present, and this Resolution and the approval thereof has been duly entered into the minutes of The Memorial Hospital, doing business as Memorial Regional Health.

By: 

Forrest Luke, Secretary

Date: March 25, 2021

Secretary, The Memorial Hospital, doing business as Memorial Regional Health