

# Where's the Money?

## Executive Summary

Through public records, it has been discovered that South County Fire RFA appears to owe the City of Edmonds millions of dollars in payment for Transport Fees collected but not remitted to the city, which would be a breach of our contract.

## Background

South County Fire RFA provides Edmonds fire and EMS services under contract to the city. There are numerous provisions in the contract but one in particular is noteworthy because it provides a revenue stream for the city. That revenue is a reimbursement for transport fees collected by the RFA.

Transport fees are generated anytime an EMS unit transports a person from one location to another. An easy example is from an accident scene to the hospital. When that happens, it generates a bill for that service. That bill is sent to the patient and/or their insurance for reimbursement of the cost of that transport. Per our contract with the RFA:

“...the District (RFA) shall receive and pursue collection of all Transport Fees...”

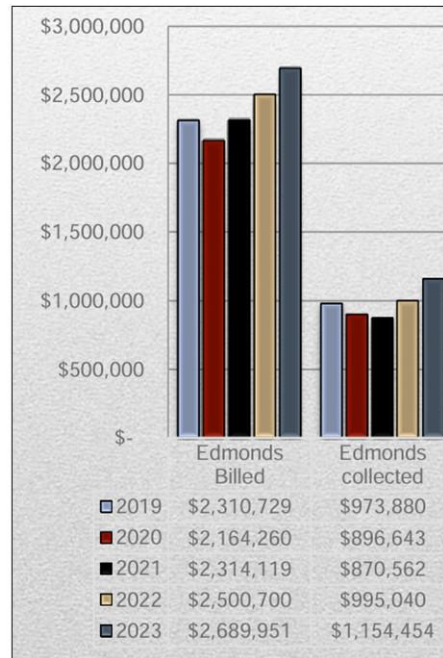
And further states:

“The District shall remit the amount so received to the City...”

The operative word in the first clause is “all” and in the second clause “remit”.

Transport fees are collected by the RFA in two ways. The first is through direct payment by the person transported or by their insurance. This collection has been remitted to the city per contract terms over the years. However, not all costs are fully collected through this process. In fact, less than half the costs are recovered this way as illustrated in a South County Fire report:

## Transport Fees Billed and Collected in Edmonds



The second collection method is through the Ground Emergency Medical Transportation (GEMT) program. The GEMT program provides supplemental payments to cover the funding gap between a provider’s actual costs per qualifying transport and the allowable amount received from Washington Apple Health (Medicaid) and other sources. Our share of these reimbursements has not been passed back to Edmonds per our contract, but rather retained by the RFA.

From the South County Fire 2025 budget:



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

#### Ground Emergency Medical Transportation (GEMT) | Forecasting Method-3 Year Moving Average

The GEMT program provides supplemental payments to cover the funding gap between a provider's actual costs per qualifying transport and the allowable amount received from Washington Apple Health (Medicaid) and any other sources of reimbursement.

Description	2024 Budget/Forecast	2025 Forecast	Percent of Total Revenue	Change from Prior Year
GEMT	13,200,000	10,793,050	9.6%	-18.2%

#### Description of Changes

GEMT is forecasted based on an average of the past three years of collections. 2024 collections significantly exceeded prior year collections as a result of a number of factors that are also relevant to future collections. The forecast results is a decrease in collections compared to 2024 actual collections, but a significant increase compared to prior forecasts and budgets.

### Analysis

Based on an analysis of the RFA budgets over the years ([Budget | South County Fire](#)) would suggest that upwards of over eight million dollars could be owed Edmonds in past unreimbursed fees. With escalating costs, current estimates are that GEMT revenue may be worth two million dollars or more annually to the city.

What did the RFA do with our money? Over the years they have used it in multiple ways. They used it to reduce the costs to their member cities. From a 2020 South County Fire news article:

## News from South County Fire

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### Benefit charge ballot measure: What will homeowners pay?

Post Date: 09/18/2020 11:54 AM

South County Fire Commissioners intend to set the benefit charge at a rate that will reduce revenue by \$1.3 million next year. This is possible because of increased revenue the fire authority is receiving to provide service to Medicaid patients. Almost 96 percent of homeowners are expected to pay less or the same with a benefit charge in 2021 compared to the traditional fire levy funding model. Property owners can compare what they pay now to what they would pay with a benefit charge using a calculator on the fire authority's website at [www.southsnofire.org/ElectionInfo](http://www.southsnofire.org/ElectionInfo).

Source: [Benefit charge ballot measure: What will homeowners pay? | News | South County Fire \(southsnofire.org\)](#)

Yes, neighboring cities benefited from the RFA withholding transport fee revenue from us. This has been ongoing since 2019 when the program went into effect.

All of this was shared with our city negotiating team in the hope that they could use it to better our position in the annexation discussions. Use it to get us a better deal or postpone the annexation altogether. After all, eight million dollars will go a long way. Instead, they squandered the opportunity, and we are where we are.

So where is the money now? It appears to be in some form of litigation. From what I understand, South County Fire now acknowledges that money is owed, however they are disputing the amount. That should be easily verified by auditing the books. Unfortunately, a State audit is a year away. By delaying payment, the RFA could be hoping to spread their liability over a larger tax base should we end up voting to join the RFA. Savvy readers will recognize that this strategy suggests that Edmonds taxpayers will be paying an incremental share of these costs back to our own city if we join the RFA.

### Next Steps

What can we do? A few ideas:

- Contact our elected officials and ask them to explain how we got here. What are they doing about it?
  - Mayor: [mike.rosen@edmondswa.gov](mailto:mike.rosen@edmondswa.gov)
  - City Council: [council@edmondswa.gov](mailto:council@edmondswa.gov)
- Contact South County Fire RFA and ask where our money is. After all, our city could use it right about now.
  - Fire Chief: [OfficeofFireChief@southsnofire.org](mailto:OfficeofFireChief@southsnofire.org)
  - Fire Board of Commissioners: [Commissioners@southsnofire.org](mailto:Commissioners@southsnofire.org)
- Vote NO on the upcoming annexation ballot measure in April to send our negotiating team back to earnestly evaluate less costly alternatives to joining the RFA. Alternatives that were not identified in the Fitch report and could become viable with the yearly GEMT revenue. Extend the contract to provide the time necessary for a thorough evaluation.

We can do better.

Jim Ogonowski

Edmonds resident