



# TOWN OF GRANBY

## MEMORANDUM

DATE: December 31, 2025

**TO:** The Granby Board of Selectmen

**FROM:** Mike Walsh, Town Manager  
Betsy Mazzotta, Project Management Office

Telephone: 860-844-5302 or 860-844-5301

**REGARDING:** Granby Ambulance Association – Report on Ongoing Operations

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### **Background (taken from the Granby Ambulance Association Website)**

Granby Ambulance Association (GAA) is a basic and advanced emergency medical services provider, answering **911 calls** for the citizens of East Granby, East Hartland and Granby (the primary service area), with mutual aid assistance provided to surrounding towns as needed.

GAA is overseen by a nine-member Board of Directors with members residing in the three-town service area. The service area assigned to GAA is designated by the State of Connecticut, Department of Public Health (DPH), Office of Emergency Medical Services (OEMS).

A timeline of milestone events in the history of GAA is reproduced below:

**1963:** GAA opens its doors as an emergency medical services provider

**1975:** GAA responds to 286 calls a year across East Hartland and Granby

**1981:** The new facility on Pegville Road in Granby opens its doors

**2003:** GAA becomes an advanced life support (ALS) provider, utilizing paramedics nearly 24/7 within 1 year of the initial start date with OEMS.

**2021:** GAA becomes 1 of 36 EMS agencies in the country to provide whole blood transfusions in the pre-hospital field, the 2<sup>nd</sup> service in CT

**2023:** GAA celebrates 60 years of serving the community with advanced life-saving care

**2024:** GAA has its busiest year of service ever at 1,952 calls for service to the primary service area and mutual aid towns

The vision of GAA is to provide caring, life-saving treatment to the residents of the towns they serve, while acting as a community partner in healthier outcomes. GAA's response territory/service area covers over 70 square miles, serving 25,000 residents and visitors, allowing them to respond to over 1,900 calls a year.

The annual call volume by town is as follows: Granby 64%, East Granby 30%, and East Hartland 6%, with mutual aid calls reallocated back to the participating towns.

### **The Situation on the Ground**

GAA is a valuable community asset that primarily delivers transport, basic medical services, and advanced life support medical services to the communities it serves using a mix of paid staff and volunteers. GAA's service delivery is superior to any commercial ambulance provider.

Both the Town of Granby and GAA desire to build sustainability and capacity as emergency medical needs grow in an "aging-in-place" to town. Emerging programs for fall prevention home visits and community paramedicine check-ins will support all populations through GAA.

### **Building Infrastructure**

GAA maintains two locations: the Granby Station, located on One Pegville Road, is the headquarters of GAA and offers a full-service facility, housing ambulances and one non-transport vehicle. Living quarters for on-duty crew were added as part of the renovation in 2004 to eliminate the need for volunteers to travel to the station before responding to emergencies.

The East Granby Station, located on Six Memorial Drive in East Granby, was originally established as part of East Granby Ambulance Association. In 2013, East Granby Ambulance Association merged with GAA. The station in East Granby remains in operation to extend GAA's reach and to offer more timely and advanced service to residents and visitors on the eastern side of our coverage area, and regularly serves the Granby community when the in town ambulance crew is already dispatched for service.

### **Ambulances, Response Vehicles, and Equipment**

GAA delivers service using four ambulances and one non-transport emergency response vehicle. Each ambulance is equipped with a State mandated minimum equipment cache of medical supplies, radio infrastructure, and meets mechanical regulations, which is verified biannually by OEMS. A fully equipped ambulance costs about \$400,000 in 2025 dollars.

GAA's ambulances should be replaced about every four years, or about \$100,000 should be set aside for ambulances/medical capital purchases annually. This replacement schedule is based on the "minimum equipment standards" that must be met by GAA for certification as well as the need to ensure ambulances are "road worthy".

The Town of Granby stands ready to discuss purchasing ambulances using tax-exempt bond issuance in lieu of cash from the endowment. Tax exempt bond purchases are a low-cost way of making capital purchases for GAA while allowing the endowment funds to be continually invested.

### **Revenues**

GAA's largest source of revenue comes from Billings (insurance receivables) for transport and care provided. GAA takes in Billing revenue based on insurance reimbursement for the services it provides using a State designated/predetermined billing rate (see attached approved schedule). That Billing insurance reimbursement comes from two main sources – private insurance and government provided insurance including Medicare, Medicaid, and Husky as examples.

It should be noted that the reimbursement rates between private insurance and government insurance are dramatically different. For instance, between 2020 and 2022, the private insurance reimbursement rates were between 90% and 97% of what was billed.



Conversely, Medicare reimbursement rates for the period 2020-2024 were between 34% to 36% of what was billed, or about \$455 per transport. Medicaid reimbursement rates during the 2020-2024 period were between 24% and 27% of what was billed, or about \$421 per transport.

Emergency Medical Service providers like GAA have seen an increase in the denial of claims more recently. Additionally, these service providers must operate under uniform delivery guidelines that include an inability to deny any patient transport regardless of their ability to pay, their insurance provider, or their reason for transport. And when Medicare and Medicaid is the only payor, GAA cannot balance bill the unpaid cost of the service to the patient. It should also be noted that EOBs (explanation of benefits) can be confusing to the insured resulting in an inability by GAA to collect on the unpaid portion of the bill.

Digitech is an outside billing vendor used by GAA to process their billing. Digitech is paid 6.25% on receipts (not billing) for their billing services, or about \$60,000 per year on \$1 million received.

GAA also holds \$1.1M of investments (as of June 30, 2023) where the annual investment returns are used to offset losses on operations.

GAA also receives a fairly regular \$100k annual tranche of contributions/donations based on their good work in the communities they service. These receipts are vital to help close the operating gap that exists annually.

Finally, GAA has consistently and regularly applied for grants for equipment and support. Because of the nature of their business, securing grants is an infrequent occurrence.

So to summarize the issues that exist with respect to revenue, GAA does not receive enough insurance reimbursement for the services they provide to meet their expenses incurred while providing those services. As a result, GAA loses \$42 per call (operating losses only) to \$95 per call (operating losses including the cost of new ambulances and medical equipment)

In order to "balance the books" on an operating basis, meaning force revenue to meet expenses, GAA relies heavily on the annual investment returns on their \$1.1M endowment and annual donations of around \$100,000.

The problem is, at least for the endowment, it is also used to purchase ambulances and necessary medical equipment to serve patients. Once that endowment is depleted, GAA will require significant budget contributions from their service area towns, including Granby.

At \$400,000 per fully equipped ambulance, and a new ambulance needed approximately every four years to maintain a "minimum equipment list" and roadworthiness for inspection, exhausting the endowment will be problematic.

The loss of the endowment in the next few years will leave GAA with no discernible source of funds for the purchase of new ambulances and medical equipment and with it depleted, there will be no investment earnings to offset recurring operating losses.

This situation is serious and must be addressed soon.

As you review Exhibit I, please note that the exhibit starts with the audited financial statements as prepared by an outside auditor. These are the financials for the GAA entity as a whole, but unless adjusted, do not clearly allow the reader an ability to understand the portion of the financials specific to the operations of GAA.

In order to remove the “noise” created by non-operating accounts including investment returns and PPP Loans in order to arrive at “operating financials”, those two accounts are adjusted/removed from the report. What’s left is a stable picture over three years of operating revenues of \$1.0M to \$1.1M annually.

**GAA Operations (based on Audited Financials dated June 30, 2021, 2022, and 2023)**

**Exhibit I**

<b>The Town of Granby</b>					
<b>Analysis of the GAA Operating Revenue and Expenses</b>					
<b>For the Years Ending June 30, 2021, 2022, and 2023</b>					
<b>Prepared as of November 17, 2025</b>					
		<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	
<b>Revenues:</b>					
Billing		918,236	848,403	940,964	
Contributions		123,781	84,878	76,837	
Service Fee Revenue		55,882	73,494	43,410	
EMT Class Fee		1,320	6,548	5,755	
Investment Returns		345,975	(150,974)	84,297	
Loss on Fixed Assets		-	(5,539)	(452)	
PPP Loans		99,000	-	-	
Misc. Revenue		4,399	3,440	10,245	
<b>Total Revenues</b>		<b>1,548,593</b>	<b>860,250</b>	<b>1,161,056</b>	
<b>Adjustments:</b>					
Investment Returns		345,975	(150,974)	84,297	
PPP Loans		99,000	-	-	
<b>Total Adjustments</b>		<b>444,975</b>	<b>(150,974)</b>	<b>84,297</b>	
<b>Total Adjusted Revenue</b>		<b>1,103,618</b>	<b>1,011,224</b>	<b>1,076,759</b>	

**Expenses**

GAA’s largest expense is for salaries for paramedics and EMTs who respond to calls. Salaries, Payroll Taxes, and Retirement Expenses total \$650,000 annually and consistently.

The wages paid to a GAA paramedic pre-Covid were approximately \$20 per hour while post-Covid, GAA made a conscious decision to maintain competitiveness and moved those wages to over \$30 per hour. Accordingly, the ability to maintain and recruit capable paramedics to work for GAA is predicated on a competitive pay structure. Future raises are contemplated at 3%.

Insurance for business, including Worker’s Compensation and Group Health are the next group of large expenses GAA shoulders. It should be noted that several severe “on duty” injuries have been experienced by GAA employees. The resulting 5-year look-back by GAA’s Worker’s Compensation carrier has produced significantly higher rates.

Digitech is an outside billing vendor for the GAA. Digitech is paid 6.25% on receipts (not billing) for their billing services, or about \$60,000 per year on \$1 million received.



As you review Exhibit II, please note that the exhibit starts with the audited financial statements as prepared by an outside auditor. These are the financials for the entity as a whole, but unless adjusted, really don't clearly allow the reader an ability to understand the portion of the financials specific to the operations of GAA. To say it another way, how much does GAA gain or lose when measuring how they provide service?

In order to remove the "noise" created by depreciation in order to arrive at "operating financials", that account is adjusted/removed from the report. What's left is a fairly stable picture over three years of operating expenses of \$1.1M to \$1.2M annually.

## **Exhibit II**

<b>Expenses:</b>			
EMT Class	861	2,280	2,352
First Aid/Equipment	49,224	39,687	43,204
Fuel and Gas	15,604	16,348	22,409
<b>Insurances:</b>			
Business	84,734	80,682	90,494
Group Health	93,897	87,403	87,350
Legal Fees	4,711	3,535	3,482
Other Fees	29,954	33,606	23,101
Licenses and Permits	478	266	524
Miscellaneous	11	373	-
Occupancy Expenses	16,305	17,073	14,048
Office and Postage	19,882	15,233	18,370
OSHA Medical Expenses	513	292	343
Oxygen	1,126	865	1,764
Printing and Reproduction	5,128	2,947	2,975
Professional Services	14,250	14,393	29,900
Billing Costs	61,404	44,681	62,818
Radios and Maintenance	946	2,283	168
Recruiting	8,790	8,895	15,291
Repairs and Maintenance	13,030	8,710	9,965
Depreciation	67,817	52,501	87,671
Salaries	605,499	604,951	592,348
Payroll Taxes	50,092	47,549	43,654
Retirement Expenses	15,720	13,950	11,171
Scholarships	4,000	3,546	4,000
Staff Support	5,356	7,505	2,738
Training	1,258	1,315	3,399
Uniforms	2,702	2,511	3,025
Utilities	14,134	19,869	18,848
Telephone	3,551	3,392	2,882
Vehicle Maintenance	37,996	52,042	22,823
<b>Total Expenses</b>	<b>1,228,973</b>	<b>1,188,683</b>	<b>1,221,117</b>
<b>Adjustments:</b>			
Depreciation	67,817	52,501	87,671
Other	-	-	-
<b>Total Adjustments</b>	<b>67,817</b>	<b>52,501</b>	<b>87,671</b>
<b>Total Adjusted Expenses</b>	<b>1,161,156</b>	<b>1,136,182</b>	<b>1,133,446</b>
<b>Net Gain (Loss) on Operations</b>	<b>(57,538)</b>	<b>(124,958)</b>	<b>(56,687)</b>
<b>Replacement Ambulance Alloc.</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Adjusted Net (Loss) on Operations</b>	<b>(157,538)</b>	<b>(224,958)</b>	<b>(156,687)</b>

### **Losses to Breakeven**

After adjusting the revenue and expenses of GAA to reflect actual operating results before capital equipment purchases are factored in, GAA losses about \$80,000 consistently year after year, or about \$42 per call based on 1,900 calls for service annually.

When capital equipment purchases are factored in, that loss rises to \$180,000 per year, or about \$95 per call based on 1,900 calls for service.

While there may be efficiencies that can be implemented, there does not appear to be enough savings to materially impact the trajectory of these losses.

In order to stabilize GAA's financial condition, the Town of Granby needs to increase their annual contribution to a minimum of \$80,000, but in order to adequately provide a capital contribution, Granby's annual contribution should be \$108,000.

Such a contribution increase should be made conditionally, predicated on the following:

1. GAA continues to provide The Town of Granby with operating financials annually
2. GAA designates their endowment for capital equipment in lieu of operating subsidies

In FY26, the Town of Granby contributed \$92,940 in capital funding to GAA for the procurement of a new ambulance. The Town of Granby also contemplates contributing an additional \$122,500 in a future fiscal year toward another new ambulance.

### **Conclusion/Management Summary In Brief**

#### **Revenue Issues:**

1. Collections on government insurances are extremely low
2. GAA relies on their endowment's annual investment earnings to subsidize operations
3. GAA relies on an annual stream of charitable contributions to subsidize operations

#### **Expenditure Issues:**

1. The wages paid to a GAA paramedic pre-Covid were approximately \$20 per hour while post-Covid, GAA made a conscious decision to maintain competitiveness and moved those wages to over \$30 per hour. Accordingly, the ability to maintain and recruit capable paramedics to work for GAA is predicated on a competitive pay structure.

#### **Capital Issues:**

1. Because GAA has been using the endowment and charitable contributions to subsidize operations, funding for ambulances and medical equipment has been reprogrammed. Because of this practice, substantial capital cost increases to all served towns will become necessary.

### **Recommendations**

1. Continue to work the receivable list to recapture as much billing as possible from insurance, governmental entities, and patients

2. Remove investment earnings and charitable contributions set aside for capital procurement from the operating financials to establish a reliable "operating run rate".
3. Assess what the capital needs of GAA are for the next 10-15 years against the remaining endowment, plus charitable contributions to understand if sufficient funding exists to procure ambulances and needed medical equipment at regular intervals to adequately deliver on GAA's mission
4. Analyze and increase the cost to service area towns based on this analytical process

On behalf of the Town of Granby, we thank Lorri Dibattisto who chairs the GAA Board of Directors and GAA Chief Kate Coupe for their tireless efforts provided data and materials so this assessment could be compiled.

Finally, I would also like to acknowledge the efforts of Granby Board of Selectman members Kelly Rome and Dr. Fred Moffa for their participation in the creation of this report.

Should anyone have any questions on any of the information provided above, we can be reached at 860-844-5302 or at [MWalsh@Granby-CT.Gov](mailto:MWalsh@Granby-CT.Gov) for Mike and 860-844-5301 or at [BMazzotta@Granby-CT.Gov](mailto:BMazzotta@Granby-CT.Gov) for Betsy.



## SCHEDULE OF MAXIMUM ALLOWABLE RATES

*EFFECTIVE January 1, 2025 through December 31, 2025*

### 2025 Rate Schedule

**Granby Ambulance Association, Inc.**

#### AMBULANCE SERVICE RATE SCHEDULE

Basic Life Support (BLS) Rate.....	\$989.00
Advance Life Support Level 1 Non-ER.....	N/A
Advance Life Support Level 1 ER.....	\$1,564.00
Advance Life Support Level 2.....	\$1,654.00
Paramedic Intercept.....	\$1,110.00
Basic Life Support (BLS) Helicopter Assist.....	\$647.00
Advance Life Support (ALS) Helicopter Assist .....	\$1,005.00
Advance Life Support (ALS) Assessment.....	\$580.00
Specialty Care Transport (SCT) .....	\$2,149.00
Treat and Non-Transport (BLS).....	\$276.00
Treat and Non-Transport (ALS) .....	\$438.00

#### ANCILLARY CHARGES

Waiting Time Charge .....	\$261.00
Per Mileage Charge .....	\$24.02
Special Attendant Charge .....	\$197.00

#### INVALID COACH RATE SCHEDULE

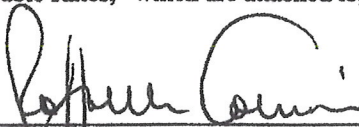
Base Rate (IC).....	N/A
Two Patients (IC).....	N/A

#### ANCILLARY CHARGES

Per Mile Charge (IC).....	N/A
Second Attendant Charge (IC).....	N/A
Waiting Time Charge (IC).....	N/A

All charges must be in conformance with the definitions on the subsequent pages entitled "Explanatory Notes on the Implementation of the 2016 Schedule of Maximum Allowable Rates," which are attached to, and become part of, the Rate Schedule.

Certified to be the maximum allowable rates by:

  
Raffaella Calciano, Director  
Office of Emergency Medical Services

Date Certified: 11/26/24