

SUBJECT: Schertz EMS Interlocal Agreement and Proposed Increases

Historical Background

In 2023, The City of Cibolo, and other cities in the region, signed a new five-year Interlocal Agreement (ILA) with the City of Schertz to utilize the EMS service. The ILA authorizes the City of Schertz to increase that base price per resident based on the most recent 12-month Consumer Price Index (CPI) for all urban consumers for medical care services to a maximum of 3 percent. In addition to the 3 percent CPI, Schertz annually adjusts for population growth for each entity. In 2025, Cibolo will pay \$662,028.24 which is \$17.52 per citizen (population 37,787).

At our initial meeting, although the ILA provides for a maximum CPI increase of 3% and population adjustment, Schertz has notified its nine partners that it needs to increase the rates by 35% for FY26 and 5% for both FY27 and FY28. Not taking into consideration any population changes, Schertz has set the Cibolo city's fees as follows:

FY26—35% increase	\$893,738.12
FY27—5% increase	\$938,425.03
FY28—5% increase	\$985,346.28

The partner entities requested Schertz to look at some alternatives that would spread the increase out over a longer period of time. A longer period of time was not conducive for Schertz, but they did provide an alternative to increase the rates by 20% for both FY 26 and FY 27, and then 5% for FY 28. That breakdown for Cibolo is as follows:

FY26—20% increase	\$794,433.89
FY27—20% increase	\$953,320.67
FY28—5% increase	\$1,000,986.70

While the second option results in a higher rate for the city it may be easier to budget for over a three-year period.

The number of service calls for each entity in the EMS system has increased as the growth increases. However, there are other mitigating factors. The ten government entities (Schertz + nine entities) fees provide for 33% of the EMS budget. Sixty-five percent (65%) of the EMS budget is through insurance; 28% of this is written off as bad debt. The bad debt is from uninsured persons (11%) and charity cases (6%), plus non-payment from users with Medicare, Medicaid, and private insurance companies that do not cover the full cost of their EMS services. While Schertz EMS attempts to collect from the Medicare/Medicaid/private insurance users, not paying an EMS bill has no consequences.

Additionally, Schertz recently did a compensation study and increased the pay for EMTs and Paramedics by an average of 26%. These positions make up 86% of the personnel for Schertz EMS. At the same time, Schertz EMS went from 24-hour work periods to 12-hour work periods. This resulted in Schertz EMS having to add additional personnel as well.

Lastly, there are a lot of legislative hinderances that prevent Schertz EMS from raising its rates, increasing their bad debt collections, and so on.

The Schertz EMS Chief Jason Mabbitt will be at the July 8, 2025, City Council Meeting.