



Montgomery County Volunteer Fire Rescue Association

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Additional Comments of the MCVFRA on the Ambulance Fee Legislation to the Public Safety Committee Montgomery County Council

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We appreciate the opportunity to submit additional information to the Council and Public Safety Committee on the proposed EMS Transport Fee. We continue to believe that the proposed legislation is fundamentally flawed on practical and philosophical grounds and should be rejected by the Council.

In the past several days, representatives of the County Executive have proposed modified legislation, pointing to Columbus, Ohio, as a model for how the billing process might work. It is troubling that County officials -- after proposing the ambulance fee months ago -- are now offering an entirely new model for how the basic billing procedures will work, allowing little time to investigate whether the Columbus system works as County officials are suggesting.

I. Will Residents Be Charged for EMS Service?

County officials originally pointed to Fairfax County as a model for the EMS transport fee. Previously, we provided documentation showing that all Fairfax residents receive a bill for EMS transports -- residents with insurance may still receive a bill for deductibles and/or co-pays, while uninsured residents receive a bill for the entire EMS transport fee. To obtain a waiver of the fee, Fairfax residents must submit extensive financial, tax, or other documentation to demonstrate financial hardship; presumably residents who are not indigent or meet strict poverty levels must pay the fee. This documentation is available at www.fairfaxcounty.gov/fr/ems_billing/FRD-006.pdf.

County officials now point to Columbus, Ohio, as a model for billing that avoids sending residents any bill. However, the County's own financial projections show annual revenue of approximately \$1 million per year from "self pay."

	Year 1	Year 4
Self-Pay Transports	15,954	17,945
Self-Pay Charges	\$ 7,920,960	\$10,219,540
Self-Pay Revenues	\$792,096 (10% of self-pay charges)	\$1,021,954 (10% of self-pay charges)

**See Appendices to Page, Wolfberg & Wirth ("PWW Report") (which was included in the package of materials for the Council hearing in July 2008).*

Assuming an average transport fee of \$500, this means (using Year 4 estimates) that nearly 20,000 individuals (i.e., \$10 million divided by \$500 per transport) will receive a bill for payment and approximately 2,000 individuals will, in fact, pay a fee for emergency ambulance service.

This amount of revenue cannot be attributed to transports of out-of-county residents, since the self-pay transport figure cited above translates into 50 transports/day. We have seen no evidence that 50 non-county residents are transported each and every day by MC EMS units.

II. County Revenue Estimates

We continue to believe that County officials are vastly overstating the amount of revenue that will be generated by the ambulance fee, particularly in the first several years of operation.

A. Impact of "Soft" Billing

As demonstrated above, the County's revenue estimates assume thousands of people will receive and pay the EMS transport fee. If these individuals are not, in fact billed, the revenue estimates should be lowered accordingly. Also, we have seen no evidence that the County has examined how the Columbus, Ohio, approach -- which appears to be different than the process in jurisdictions near Montgomery County -- will impact the revenue estimates that were developed based on the old County proposal.

B. Documentation Requirements

The report by the County's outside consultant/law firm states that the revenue projections "[a]ssume complete documentation necessary to support billing decisions; crew documentation training recommended." (See PWW Report, "Notes and Assumptions" for each year's revenue projections). The report also states:

"Detailed documentation training will be required of all EMS personnel in the County to fully realize these revenue projections. Montgomery County policymakers and budget officials might want to take this factor into account when considering their anticipated EMS revenue budgets and reduce the projections by some estimated favor (for instance, 40% in Year One, 30% in Year Two, 20% in Year Three, and 10% in Year Four) to account for this unpredictable variable." (PWW Report, page 7 under "Patient Care Documentation").

Despite these explicit caveats, the April 14, 2008 Memorandum from Joseph Beach (OMB Director) to Michael Knapp states that "the legislation is expected to result in revenues of \$7.05 million in FY09, assuming mid-year implementation, and annual revenues of \$14.8 million in FY10"

The truth is that while County budget officials promise \$14.8 million in 1st year revenue, under the County's own estimate the actual amount is likely to be closer to \$8 million/year -- and even that amount overstates the likely near-term revenues.

III. Administrative Costs of the Ambulance Fee

The costs of administering the ambulance fee are substantial. According to numbers recently circulated by Joe Beach, Office of Management and Budget, the administrative costs would approach \$2 million/year (5.5% of total revenue). These administrative costs are more than the County is proposing to share with all of the local fire/rescue departments combined. This is a horribly inefficient way to bolster fire/rescue revenues.

Perhaps more importantly, we believe the County is understating the administrative costs. The 2008 Annual Budget of the City of Columbus, Ohio -- which is the new model cited by MC officials -- projects that administrative fees consumer 20% of overall revenue.

- The EMS third-party reimbursement program that began in January 2003 is expected to generate \$9 million in 2008. The 2008 EMS billing contract is budgeted at \$1.8 million.

http://finance.columbus.gov/AboutUs/Financial_Management/Budget_Office/index.asp

County officials should be questioned on how to square these figures. If Columbus is the model, why isn't the County using numbers from Columbus for the administrative costs?

IV. Will Residents Be Reluctant to Call 911?

We recognize the difficulty in proving whether an ambulance fee will, in fact, deter anyone from calling 911. At the July 2008 Council meeting, the Council questioned whether Fairfax officials have collected and/or analyzed refusals. We believe these questions remain unanswered.

We do, however, have concerns about Fairfax's experience. While it is true that annual EMS transports continued to increase after Fairfax imposed a fee, EMS transports -- when corrected for population growth -- (1) decreased after the EMS fee was imposed and (2) have remained below the pre-fee levels. While we do not know if the fee contributed in any way to the drop in EMS calls, we believe the Council should ask the County officials to further examine the impact in Fairfax County rather than relying on the sweeping -- and largely unsupported -- assertions that the fee has not deterred anyone from calling 911.

V. Impact on Community-Based Fire/Rescue Departments

Shifting from the impact on patients to the impact on the fire/rescue system, we believe an ambulance fee is fundamentally at odds with the notion of a volunteer community service. We simply don't understand how the County can charge hundreds of dollars for a service that often times is provided for free by volunteers and/or using apparatus and equipment provided by community fire/rescue departments. Imposing such a fee would undermine volunteer morale and undermine the close bond and accountability that is a hallmark of community-based fire/rescue departments.

The County's proposal also does not address the substantial burden that will be imposed on volunteer and career personnel in completing the paperwork necessary to facilitate billing. The County's own outside consulting/law firm has stated that accurate and complete documentation is essential to billing, and completing this paperwork will be a burden on fire/rescue personnel. Rather than expeditiously restocking and returning units to service at hospitals, EMS crews will need to spend time on paperwork. And rather than adding new classes to improve pre-hospital care, fire/rescue personnel will need to take courses in healthcare billing requirements. This is additional training hours to our volunteers which are already exceeding other local jurisdictions training levels and hours by 100% and greater in some cases!

VI. Mutual Aid Issues

We agree that it is unfair for other jurisdictions to charge Montgomery County residents for incidents occurring in those jurisdictions, when Montgomery County does not impose reciprocal fees. However, we believe it would be relatively easy (and lawful) to negotiate an agreement with these jurisdictions to exempt Montgomery County residents from such fees. We have reviewed the transport fee legislation for PG County, Washington DC, and Frederick County, and believe an agreement would not require legislative action. The Council should direct the County executive to explore such options to correct this situation.

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Based on the foregoing, we believe there are simply too many identified flaws and too many unanswered questions for the Council to move forward on any ambulance fee legislation offered by the County Executive. This is particularly true given that County officials are now pointing to an entirely new model -- Columbus, Ohio -- a jurisdiction that bears few similarities to Montgomery County.

We would be happy to answer questions or provide more information upon request.

Review and Analysis of Fairfax County EMS Responses 2002 to 2007

Ambulance fee supporters claim that imposing a charge of \$300-\$800/transport will not deter people from calling 911, often citing to the experiences of other jurisdictions. For example, the EMS Transport Fee section of the County's website currently says:

"There is no evidence that those in need of transport will be dissuaded from calling 911 because their insurance is going to be billed or because they are uninsured. In the jurisdictions that have been collecting this fee, there is no evidence of that happening." (1)

Fairfax County began billing for ambulance service in 2005. While total EMS calls in Fairfax County have increased steadily in the past several years, the number of calls when corrected for population increases actually decreased from 2004 to 2005. Since that time, EMS calls (when corrected for population growth) have remained below the 2004 level.

While the reasons for call volume changes are not clear, the statistics raise the question: Why did EMS call volume drop from 2004 to 2005? And why has EMS call volume remained below the 2004 level?

Before any ambulance fee is imposed, credible studies or analyses should be performed (e.g., through surveys of impacted populations) to determine whether, in fact, ambulance fees have deterred some Fairfax County residents from calling 911.

Fiscal Year	Population	Call Volume	EMS Calls	EMS Calls % of Pop	Change in EMS Calls % of Pop
2002	964712	89,246	60,685	6.29%	
2003	984366	87,621	60,306	6.13%	- 0.16
2004	1007800	91,373	62,420	6.19%	+ 0.06
2005	1041200	88,591	61,636	5.92%	- 0.27
2006	1049333	90,086	62,036	5.91%	- 0.01
2007	1077000	92,087	64,088	5.95%	+ 0.04

Sources:

(1) <http://www.montgomerycountymd.gov/mcgtmpl.asp?url=/content/pio/ems/facts.asp>

(2) <http://www.fairfaxcounty.gov/fr/stats/>

