



PENNSYLVANIA EMERGENCY HEALTH SERVICES COUNCIL

Your Voice In EMS

TESTIMONY

**TO THE
HOUSE and SENATE
VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS COMMITTEES**

Informational Meeting: Emergency Medical Services Issues

**DAVID JONES, PRESIDENT
PENNSYLVANIA EMERGENCY HEALTH SERVICES COUNCIL (PEHSC)**

MARCH 9, 2016

Good Morning Chairman Barrar, Chairman Vulakovich and Members of the Committees:

I am David Jones, President of the Pennsylvania Emergency Health Services Council (PEHSC), I am a practicing paramedic and I currently serve as the EMS Manager for the Pennsylvania State University in State College.

The Pennsylvania Emergency Health Services Council serves the Commonwealth as the state advisory board to the Pennsylvania Department of Health on all aspects of emergency health care. This mission is defined in the state EMS Act (Act 37 of 2009) and was also found in the previous Act from 1985 (Act 45).

Today, we wish to share with you our concerns in regard to the financial state of EMS in Pennsylvania.

Our reimbursements do not accurately reflect the cost of our services and remain limited by insurance payments. **The bottom line for our ambulances services has been significant financial losses due to increased costs and reduced revenue.** It is important to remember the unique services that EMS provides. We act as the medical safety net for our communities. We must be ready to respond 24 hours a day 7 days a week. We cannot limit our readiness time like other healthcare providers who determine their operating hours and can schedule patients. These losses coupled with staffing shortages have, as you are aware, led many EMS services to consolidate with other local services or close.

Simply stated EMS is a vital resource for public health and public safety and we are in need of a reliable long term funding source to maintain the high level of patient care as it is currently provided.

We would like to offer some thoughts to support a solution.

First, we believe that another funding mechanism for direct support to the EMS agencies would assist in our efforts to maintain our clinical edge, attract and maintain our providers and keep needed services throughout the commonwealth.

Second, we believe that the EMS system administration needs additional targeted funding for statewide projects and to re-establish the needed staffing compliment for the Bureau of EMS.

It is not easy to make a determination as to how much money is needed to meet current and future needs. Since 1985 with the passage of Act 45 the system has spent hours planning expenditures in an effort to offset what eventually happened, the loss of significant direct support to EMS Agencies. Simply, the EMS Operating Fund (EMSOF) as created in Act 45 no longer funds the EMS agency to the level that it was intended. The 2013 Legislative Budget and Finance Committee (LBFC) study shows that a significant portion of funding from EMSOF supports needed administration functions.

The Study reports, "Pennsylvania's statewide EMS system no longer receives direct funding support from the General Fund. The EMS program received a separate line-item EMS appropriation until

FY 1989-90. This appropriation peaked at \$1.9 million in FY 1985-86. In its final year, the amount of this appropriation was \$1.4 million. Since that time, General Fund monies have been available to the EMS program only from the Department of Health's (DOH) General Government Operations (GGO) appropriation and are used only for the administrative and operational costs of the Bureau of Emergency Medical Services. Members of the EMS community have often questioned the absence of General Fund monies for EMS program purposes. Although not stated in Act 37 (2009) or its predecessor statute, Act 45 (1985), or related legislative discussion at the time of their respective passages, many persons believed that EMSOF monies were to supplement rather than replace General Fund support of the statewide EMS system."

We can argue that additional cost savings can be found in the EMSOF distribution but at the end of the day it still cannot support the agency level with needed education and equipment as intended. We have included some citations at the end of our testimony from the LBFC report to fully demonstrate our concerns. It is obvious that the EMSOF from 1985 is depleted, and the depletion of federal monies has also returned EMS funding to a level similar to the amounts dispersed in 2006.

Today, we are requesting your consideration of new funding sources for direct support to the ambulance services and identified system wide needs.

In an effort to assist the initial conversations about EMS funding we have developed a draft list of general guidelines.

In regard to additional funding for **direct** support to EMS Agencies, we recommend the following:

A funding mechanism that meets the community EMS needs across the commonwealth – flexible language that will fund all EMS agencies so they can maintain a minimum level of service.

EXAMPLES: some areas may need support with education for staffing concerns; others may need equipment dollars for wear and tear based on a higher call volume.

A funding source that can be secured so that it cannot be used to balance the budget, or allocated elsewhere.

A funding source that does not require an agency to match the funds, this source of funding should be based on a standardized formula so agencies can plan for annual purchases.

A funding source that is tied to a metric that increases over time to meet needs – rather than what we currently have which is flat from 1985

A funding source that addresses the cost of readiness in communities . . . a method to determine readiness (gap analysis) should be established

A funding source that is focused on the per capita cost of EMS – for example Texas has estimated

that the cost is 14 cents per person per day.

As for the needs of the State System, we recommend that funding enhancements consider:

A funding source to enhance the (statewide) system to ensure the quality of care via monitoring (at a service level and statewide) focused on education and medical direction.

A funding source to enhance the (statewide) system focused on the promotion of advancing clinical care. Funding may include research studies, pilot projects and the purchase of newly approved equipment/medications. This would be useful for any public health crisis.

A funding source to enhance the (statewide) system by establishing special projects to identify and meet statewide needs, such as improving patient care data collection and interpretation, promotion of EMS in a public information model and system-wide efficiencies to include mergers/consolidations.

A funding source to enhance the recruitment and retention of providers (paid and volunteer) to include: wages, pensions or LOSAP (length of service award programs), and volunteer incentives.

It is important to remember that along with these recommendations any changes to reimbursements should be continually monitored in regard to the impact on EMS agencies. Concerns are focused on establishing payments for community paramedicine, the need for a balance billing exclusion for EMS, direct pay concerns, treat and no transport payments and any fee schedule changes. Further, any changes to the existing policies or funding through the Volunteer Ambulance Service Grant Program or the Volunteer Loan Assistance Program should be fully vetted with the EMS community.

The LBFC Study suggested that the General Assembly consider options to “bolster” the EMSOF revenue. We, of course, are willing to consider that as an option as well as another General Budget line item. But we are seeking a long term solution.

We clearly understand that we need to specify goals and a long term strategy to identify the funding amounts needed to support the system. Therefore, we are organizing a task force to consider options for comprehensive funding options. On behalf of the Pennsylvania Emergency Health Services Council (PEHSC), we are requesting your support in this effort by assigning both House and Senate committee members to our task force. Our annual meeting is March 16; we will establish the task force at this meeting and plan to have tentative recommendations from the group in early July.

We are happy to answer any questions at this time.

Citations from the 2013 LBFC Study

The amount deposited into the EMSOF from fines on traffic violations and fees on ARD admissions has fallen from \$15.1 million in FY 2007-08 to \$13.3 million in FY 2011-12.

The year-end balance in the EMSOF has declined from \$23.0 million in FY 2005-06 to \$14.6 million in FY 2011-12. The balance is projected to decline further to only \$2.6 million in FY 2016-17.

Funding for the Commonwealth's EMS system has been declining in recent years, from \$11.3 million in FY 2007-08 to \$10.0 million in FY 2011-12. This decline has been driven primarily by a decline in the revenues generated by the fines on traffic violations and fees on ARD admissions which are deposited into the Emergency Medical Services Operating Fund.