



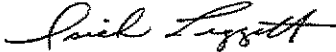
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

April 12, 2012

TO: Roger Berliner, Council President

FROM: Isiah Leggett, County Executive 

SUBJECT: Expedited Legislation - Emergency Medical Services (EMS) Reimbursement Act

I am attaching for Council's consideration an expedited bill which creates an Emergency Medical Services (EMS) Reimbursement Program under which the Fire and Rescue Service is authorized to seek reimbursement for the cost of EMS transport services provided to County residents from commercial insurers, Medicare, and Medicaid. Based on 2010 projections, EMS reimbursements are expected to generate \$14 to \$17 million annually. We are in the process of updating these projections and will provide them to Council in the very near future.

The bill is necessary to address unprecedented fiscal challenges facing the County as a result of the General Assembly's 2012 Regular Session and the 2012 Special Session that will inevitably be convened to complete work on the Budget Reconciliation and Financing Act (BRFA) and other budget related items. We simply can no longer afford to let millions of dollars go uncollected each year. It is fundamentally wrong for County taxpayers to foot the bill for costs that are covered by insurers in most jurisdictions in Maryland, the Washington Metropolitan area, and the nation.

If the State finalizes the budget "deal" reflected in the Conference Committee Report for the BRFA (Senate Bill 152), the deal will result in a massive and immediate shift of the State's teacher pension costs to counties that will cost Montgomery County \$27 million in FY13 (50% of normal cost) and significantly more in the following three fiscal years (65%, 85%, and 100% of normal costs, respectively) until the cost reaches \$50 million in FY16. Regrettably, this unprecedented and troublesome cost shift does nothing to improve the sustainability of State pension funding and bizarrely reallocates these costs away from the governmental entity which has complete control over benefit levels and investment decisions (i.e., the State).

The State has already enacted legislation (Senate Bill 848) that imposes an inflexible Maintenance of Effort (MOE) requirement that essentially places half the County budget "off limits" for spending reductions, restricts flexibility in dealing with economic

downturns, and likely will require the County to put millions of dollars more into reserves to preserve the County's Triple-A bond rating. The bill completely transforms MOE from a condition that a County must meet to receive State funding to a complete State takeover of County budget decision-making by making both the local share of foundation funding and each year's MOE target as absolute requirements, and backing these mandates up with authority to raid County income taxes.

In addition to the State's seismic shift of teacher pension costs and inflexible MOE mandate, the State has continued an additional \$8.2 million cost shift relating to the State Department of Assessments and Taxation (\$5.3 million) and MCPS/Montgomery College retirement administration (\$2.9 million) which began in FY12. All of these costs are paid by County taxpayers.

The State has also reduced aid for community colleges, police, open space, health, and library services by \$9.4 million in FY13. Taken together, the State's FY13 cost shifts and aid reductions for Montgomery County total \$44.8 million. These FY13 actions follow dramatic reductions in State aid for community colleges, police, open space, health, libraries, and highway user revenues in FY10, FY11, and FY12.

In light of the historic – albeit lamentable -- realignment of State and County roles and obligations reflected above and the resulting financial obligations for the County, there should be no doubt whatsoever that the EMS reimbursement program is needed to fund fire and rescue services in the County and that emergency response services to residents will be impaired if the program is not established immediately.

EMS reimbursement programs are widely employed throughout the nation and by local governments in Maryland and throughout the Washington region. The EMS reimbursement program seeks no reimbursement from County residents themselves. When County residents receive EMS services, the County will seek reimbursement only from commercial insurers, Medicare, or Medicaid in the same way that a doctor's office seeks reimbursement for the cost of health care services provided to a patient. However, unlike the normal doctor's office situation, County residents will not pay any out of pocket expenses for co-pays or deductibles.

Without the EMS reimbursement program, the County will face stark choices that will result in: (1) significant and painful service reductions in the Fire and Rescue Service or other vital programs; or (2) tax increases for County residents and businesses. Increasing taxes further on top of the dramatic tax increases imposed by the State this year would further damage the County's competitiveness in attracting and retaining business, as well as further burden County households. Reducing Fire and Rescue Services or other vital County programs after several years of programmatic reductions would seriously threaten the County's ability to meet some basic needs.

To provide the Council with a complete picture of the EMS reimbursement program created by this bill, I am attaching a copy of the proposed Executive Regulation to

Roger Berliner, Council President
April 12, 2012
Page 3

implement the fee. This proposed regulation will be published in the May 2012 County Register and submitted to Council after the 30-day public comment period ends on May 30.

On a related note, we are also in the process of preparing budget amendments to reconcile assumptions reflected in my March 15 recommended budget with final State action on the FY13 budget.

Attachments (3)

cc: Joseph Beach, Director, Finance Department
Timothy Firestine, CAO
Jennifer Hughes, Director, OMB
Kathleen Boucher, ACAO
Richard Bowers, Fire Chief, MCFRS
Marc Hansen, County Attorney

Expedited-Bill No. _____
Concerning: Emergency Medical
Services Reimbursement Act
Revised: _____ Draft No. _____
Introduced: _____
Expires: _____
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co.

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the County Executive

AN EXPEDITED ACT to:

- (1) authorize the County to impose and collect a reimbursement to recover costs generated by providing emergency medical services transports;
- (2) provide for a schedule of emergency medical services transport reimbursement charges, waiver criteria, permitted uses of reimbursement revenues, and other procedures to operate the emergency medical services reimbursement program;
- (3) prohibit a Local Fire and Rescue Department from imposing a separate emergency medical services transport reimbursement;
- (4) require the Executive to issue certain regulations to implement an emergency medical services transport reimbursement program;
- (5) require a certain annual transfer be made as payment of residents' uninsured portion of the emergency medical services transport reimbursement; and
- (6) generally amend County law regarding the provision of emergency medical services ;

By adding

Montgomery County Code
Chapter 21, Fire and Rescue Service
Section 21-23A. Emergency Medical Services Reimbursement Program

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 21-23A is added as follows:**
2

3 **21-23A. Emergency Medical Services Transport Reimbursement Program.**
4

5 **(a) Obligation to Transport.** The Fire and Rescue Service must provide emergency
6 medical services transport in accordance with applicable medical protocols to each
7 individual without regard to the individual's ability to pay.
8

9 **(b) Definitions.** In this Section the following terms have the meanings indicated:
10

11 **(1) Emergency medical services transport means transportation by the**
12 Fire and Rescue Service of an individual by ambulance or other Fire and
13 Rescue Service vehicle used for a similar purpose. Emergency medical
14 services transport does not include transportation of an individual under an
15 agreement between the County and a health care facility.
16

17 **(2) Federal poverty guidelines means the applicable health care poverty**
18 guidelines published in the Federal Register or otherwise issued by the
19 federal Department of Health and Human Services.
20

21 **(3) Fire and Rescue Service includes the Department of Fire and Rescue Service**
22 and each local fire and rescue department.
23

24 **(c) Imposition of reimbursement.** The County must impose a reimbursement charge
25 for any emergency medical service transport provided in the County, and, unless
26 prohibited by other law, outside the County under a mutual aid agreement.
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28 **(d) Liability for Reimbursement.** Subject to subsection (e), each individual who
29 receives an emergency medical services transport is responsible for paying the
30 emergency medical services transport reimbursement.
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(e) Hardship Waiver.

(1) The Fire Chief must waive the emergency medical services transport reimbursement for an individual whose household is at or below 300 percent of the federal poverty guidelines. An individual must request a waiver on a form approved by the Fire Chief.

(2) The Fire Chief may deny a request for a waiver if the individual who claims financial hardship under this Section does not furnish all information required by the Fire Chief.

(f) Payment of Residents' Uninsured Portion of the Emergency Medical Services Transport Reimbursement.

(1) Tax revenues received by the County must be treated as payment, on behalf of County residents, of the balance of each resident's portion of the emergency medical services transport reimbursement charge that is not covered by the resident's insurance.

(2) The County Council must annually transfer from the General Fund to the Consolidated Fire Tax District Fund an amount that the Council estimates will not be covered by residents' insurance as payment of all residents' uninsured portion of the emergency medical services transport reimbursement charge.

(g) Restriction on Local Fire and Rescue Department. A local fire and rescue department must not impose a separate charge for an emergency medical transport.

(h) Use of Revenue. Except for the transfer received from the General Fund under subsection (f), the revenues collected from the emergency medical services transport

89 reimbursement must be used to supplement, and must not supplant, existing
90 expenditures for emergency medical services and other related fire and rescue
91 services provided by the Fire and Rescue Service.

92 **(i) Regulations; Reimbursement Schedule.** The County Executive must adopt a
93 regulation under method (2), to implement the emergency medical service transport
94 reimbursement program. The regulation must establish a reimbursement schedule
95 based on the cost of providing emergency medical services transport. The
96 reimbursement schedule may include an annual automatic adjustment based on
97 inflation, as measured by an index reasonably related to the cost of providing
98 emergency medical services transports. The regulation may require each individual
99 who receives an emergency medical services transport to provide financial
100 information, including the individual's insurance coverage, and to assign insurance
101 benefits to the County.

102 **Sec. 2. Expedited Effective Date.**

103 The Council declares that this legislation is necessary for the immediate protection of the
104 public interest. This Act takes effect on January 1, 2013.

105 **Sec. 3. Implementation.**

106 The emergency medical services transport reimbursement authorized by County Code ' 21-
107 23A, enacted by Section 1 of this Act, may be collected for any emergency medical services
108 transport that occurs on or after July 1, 2012. Collection may occur retroactively to that date during
109 the first fiscal year the emergency medical services transport fee is implemented.

110

111 *Approved:*

112

Roger Berliner, President, County Council

Date

113

114 *Approved:*

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Isiah Leggett, County Executive

Date

116

117 *This is a correct copy of Council action.*

118

Linda M. Lauer, Clerk of the Council

Date



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Emergency Medical Service Reimbursement Program	Number
Originating Department Montgomery County Fire and Rescue Service	Effective Date

Montgomery County Regulation on

EMERGENCY MEDICAL SERVICES REIMBURSEMENT PROGRAM

Issued by: County Executive

Regulation No. _____

COMCOR: Chapter 21

Authority: Montgomery Code Section 21-23A

Supersedes: N/A

Council Review: Method (2) under Code Section 2A-15

Register Vol. _____ No. _____

Effective Date: Date XX-12

Emergency Medical Services Reimbursement Act becomes effective

Comment Deadline: _____

Summary:

This Regulation establishes: (1) An emergency medical services transport reimbursement schedule; and (2) a requirement that an individual who receives an emergency medical services transport provide certain information and execute an assignment of certain health insurance benefits.

Staff contact:

Scott Graham, Assistant Chief, Montgomery County Fire and Rescue Service
(240) 777-2493

Address:

Montgomery County Fire and Rescue Service
Executive Office Building
101 Monroe Street, 12th Floor
Rockville, Maryland 20850



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Emergency Medical Service Reimbursement Program	Number
Originating Department Montgomery County Fire and Rescue Service	Effective Date

Section 1. Reimbursement Schedule

- a. In imposing and collecting the emergency medical services transport reimbursement authorized under Code Section 21-23A, the Fire Chief must comply with all applicable provisions of 42 CFR Parts 410 and 414, *Fee Schedule for payment of Ambulance Services and Revisions to the Physician Certification Requirements for Coverage of Non-emergency Ambulance Services*.
- b. The Fire Chief must impose the emergency medical services transport reimbursement according to the following schedule:
 - i. \$8.50 per mile, one way, from point of pick up to the health care facility; plus
 - ii.

• Basic Life Support – Non-emergency*	\$300.00
• Basic Life Support – Emergency*	\$400.00
• Advanced Life Support – Level 1 – Non-Emergency*	\$350.00
• Advanced Life Support – Level 1 – Emergency*	\$500.00
• Advance Life Support – Level 2*	\$700.00
• Specialty Care Transport*	\$800.00

* The terms in the schedule are as defined in 42 CFR Parts 410 and 414.

Section 2. Required Information; Assignment of Benefits.

- a. If requested by the Fire Chief, each individual who receives an emergency medical services transport must furnish to the County, or its designated agent: (i) information pertaining to the individual's health insurer (or other applicable insurer); and (ii) financial information that the Fire Chief determines is necessary for determination of granting a waiver of the reimbursement.
- b. Each insured individual who receives an emergency medical services transport must execute an assignment of benefits necessary to permit the County to submit a claim for the reimbursement to the applicable third party payor.
- c. The Fire Chief must increase the amount of the reimbursement in the schedule annually by the amount of the Ambulance Inflation Factor (AIF), as published by the Centers for Medicare and Medicaid Services (CMS), United States Department of Health and



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Emergency Medical Service Reimbursement Program	Number
Originating Department Montgomery County Fire and Rescue Service	Effective Date

Human Services.

Section 3. Severability.

If a court of final appeal holds that any part of this regulation is invalid, that ruling does not affect the validity of other parts of the regulation.

Section 4. Effective Date.

This regulation is effective on the date that Bill XX-12, Emergency Medical Services Reimbursement Act becomes effective.

Approved:

Isiah Leggett, County Executive

DRAFT

LEGISLATIVE REQUEST REPORT

Expedited Bill XX-12 Emergency Medical Services Reimbursement Act

DESCRIPTION: This Bill would authorize the County to impose and collect a reimbursement to recover costs generated by providing emergency medical services transports.

PROBLEM: In order to meet current fiscal challenges facing the County, including the shift of teacher pension costs to the County and substantial changes to the County's obligation to fund public schools under the State maintenance of effort law, the County must increase the amount of revenue available to maintain core fire and rescue services.

GOALS AND OBJECTIVES: To enhance the amount of revenue available to support core fire and rescue services.

COORDINATION: Office of Management and Budget; Department of Finance; Fire and Rescue Service.

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: Subject to the general oversight of the County Executive and the County Council.

EXPERIENCE ELSEWHERE: Many jurisdictions in the region have the authority to seek an emergency medical service transport reimbursement.

SOURCES OF INFORMATION: Joseph Beach, Director of Finance
Kathleen Boucher, Assistant Chief Administrative Officer
Richard Bowers, Chief, Fire & Rescue Services
Marc Hansen, County Attorney

APPLICATION WITHIN MUNICIPALITIES: Yes.

PENALTIES: Not applicable.