

**MEMORANDUM**

TO: County Council

FROM: *MF* Michael Faden, Senior Legislative Attorney  
Essie McGuire, Senior Legislative Analyst *EMGi*

SUBJECT: **Public Hearing:** Expedited Bill 17-12, Fire and Rescue Service – Emergency Medical Services - Reimbursement

Expedited Bill 17-12, Fire and Rescue Service – Emergency Medical Services - Reimbursement, sponsored by the Council President at the request of the County Executive, was introduced on April 24, 2012. A Public Safety Committee worksession is tentatively scheduled for May 11 at 10:00 a.m.

Expedited Bill 17-12 would authorize the County to impose and collect a reimbursement to recover costs generated by providing emergency medical services transports. This Bill is essentially identical in all material respects to Bill 13-10, which the Council enacted on May 19, 2010, but the voters rejected in a referendum in November 2010.

This packet contains:	<u>Circle #</u>
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Expedited-Bill No. 17-12  
Concerning: Fire and Rescue Service –  
Emergency Medical Services –  
Reimbursement  
Revised: 4/19/2012 Draft No. 1  
Introduced: April 24, 2012  
Expires: October 24, 2013  
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

<b>Boldface</b>	<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   **21-23A.    Emergency Medical Services Transport Reimbursement Program.**

3           (a) Obligation to Transport. The Fire and Rescue Service must provide  
4           emergency medical services transport under applicable medical  
5           protocols to each individual without regard to the individual's ability to  
6           pay.

7           (b) Definitions. In this Section the following terms have the meanings  
8           indicated:

9           (1) Emergency medical services transport means transportation by  
10           the Fire and Rescue Service of an individual by ambulance or  
11           other Fire and Rescue Service vehicle used for a similar purpose.

12           Emergency medical services transport does not include  
13           transportation of an individual under an agreement between the  
14           County and a health care facility.

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

18           (3) Fire and Rescue Service means the Montgomery County Fire and  
19           Rescue Service and includes each local fire and rescue  
20           department.

21           (c) Imposition of reimbursement. The County must impose a  
22           reimbursement charge for any emergency medical service transport  
23           provided in the County, and, unless prohibited by other law, outside the  
24           County under a mutual aid agreement.

25           (d) Liability for Reimbursement. Subject to paragraph (e), each individual  
26           who receives an emergency medical services transport is responsible for  
27           paying the emergency medical services transport reimbursement.

- 28 (e) Hardship Waiver.
- 29 (1) The Fire Chief must waive the emergency medical services
- 30 transport reimbursement for any individual whose household
- 31 income is at or below 300 percent of the federal poverty
- 32 guidelines. An individual must request a waiver on a form
- 33 approved by the Fire Chief.
- 34 (2) The Fire Chief may deny a request for a waiver if the individual
- 35 who claims financial hardship under this Section does not furnish
- 36 all information required by the Fire Chief.
- 37 (f) Payment of Residents' Uninsured Portion of the Emergency Medical
- 38 Services Transport Reimbursement.
- 39 (1) Tax revenues the County receives must be treated as payment, on
- 40 behalf of County residents, of the balance of each resident's
- 41 portion of the emergency medical services transport
- 42 reimbursement charge that is not covered by the resident's
- 43 insurance.
- 44 (2) The County Council must annually transfer from the General
- 45 Fund to the Consolidated Fire Tax District Fund an amount that
- 46 the Council estimates will not be covered by residents' insurance
- 47 as payment of all residents' uninsured portion of the emergency
- 48 medical services transport reimbursement charge.
- 49 (g) Restriction on Local Fire and Rescue Departments. A local fire and
- 50 rescue department must not impose a separate charge for an emergency
- 51 medical transport.
- 52 (h) Use of Revenue. Except for the transfer received from the General Fund
- 53 under subsection (f), the revenues collected from the emergency
- 54 medical services transport reimbursement must be used to supplement.

55 and must not supplant, existing expenditures for emergency medical  
56 services and other related fire and rescue services provided by the Fire  
57 and Rescue Service.

58 (i) Regulations; Reimbursement Schedule. The County Executive must  
59 adopt a regulation under method (2) to implement the emergency  
60 medical service transport reimbursement program. The regulation must  
61 establish a reimbursement schedule based on the cost of providing  
62 emergency medical services transport. The reimbursement schedule  
63 may include an annual automatic adjustment based on inflation, as  
64 measured by an index reasonably related to the cost of providing  
65 emergency medical services transports. The regulation may require  
66 each individual who receives an emergency medical services transport  
67 to provide financial information, including the individual's insurance  
68 coverage, and to assign insurance benefits to the County.

69 **Sec. 2. Expedited Effective Date.**

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

72 **Sec. 3. Implementation.**

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

78 *Approved:*

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Roger Berliner, President, County Council

Date

## LEGISLATIVE REQUEST REPORT

Expedited Bill 17-12

*Fire and Rescue Service – Emergency Medical Services - Reimbursement*

- 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 Service  
Marc Hansen, County Attorney
- APPLICATION WITHIN MUNICIPALITIES:** Yes.
- PENALTIES:** Not applicable.

Bill



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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive



RECEIVED  
MONTGOMERY COUNTY  
GOVERNMENT

APR 12 10 18 AM '12

MEMORANDUM

April 12, 2012

TO: Roger Berliner, Council President  
FROM: Isiah Leggett, County Executive *Isiah Leggett*  
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

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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  
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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