

MEMORANDUM

TO: County Council

FROM: *MF* Michael Faden, Senior Legislative Attorney

SUBJECT: **Public Hearing:** Bill 7-13, Emergency Medical Transportation – Use of Revenue – Amendment

Bill 7-13, Emergency Medical Transportation – Use of Revenue – Amendment, sponsored by the Council President at the request of the County Executive, was introduced on March 5, 2013. A Public Safety Committee worksession will be scheduled at a later date.

Bill 7-13 would establish 15% of the net Emergency Medical Services Transport Insurance Reimbursement Program revenue to be allocated for the benefit of the local fire and rescue departments.

This packet contains:	<u>Circle #</u>
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Bill No. 7-13
Concerning: Emergency Medical
Transportation - Use of Revenue -
Amendment
Revised: 9/4/2012 Draft No. 1
Introduced: March 5, 2013
Expires: September 5, 2014
Enacted: _____
Executive: _____
Effective: [date]
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 ACT to:

- (1) establish the percentage of emergency medical transport revenue to be allocated for the benefit of local fire and rescue departments; and
- (2) expand the purposes for which a local fire and rescue department may spend emergency medical transport revenue.

By amending

Montgomery County Code
Chapter 21, Fire and Rescue Service
Section 21-23A

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:

Sec. 1. Section 21-23A is amended as follows:

21-23A. Emergency Medical Services Transport Insurance Reimbursement Program.

* * *

(h) Use of Revenue.

* * *

(3) (A) [A percentage of this account, which the Council must specify annually in the operating budget resolution, must be used to replace or augment apparatus owned and staffed by local fire and rescue departments and training, gear, and equipment for local fire and rescue departments.] 15% of the net Emergency Medical Services Transport Insurance Reimbursement Program revenue must be allocated in the annual operating budget resolution for the benefit of local fire and rescue departments for:

- (i) replacement or augmentation of apparatus owned by a local fire and rescue department;
- (ii) facilities owned by a local fire and rescue department;
- (iii) training for volunteers;
- (iv) gear and equipment for volunteers;
- (v) administrative staff to support a local fire and rescue department;
- (vi) volunteer recruitment and retention; and
- (vii) volunteer stand-by support.

(B) As part of the Executive’s operating budget submission, the Fire Chief must transmit a plan for use of funds

28 designated for local fire and rescue departments. The plan
29 the Chief transmits must specify:

30 [(A)] (i) the amount of this account the Chief recommends to
31 allocate to replace apparatus that is owned [and
32 staffed] by local fire and rescue departments in the
33 next fiscal year; and

34 [(B)] (ii) the amount of this account to allocate to facilities,
35 training, gear, administrative staff, volunteer
36 recruitment and retention, volunteer standby
37 support, and equipment for volunteers.

38 * * *

39 *Approved:*

40

Nancy Navarro, President, County Council

Date

41 *Approved:*

42

Isiah Leggett, County Executive

Date

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

44

Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 7-13

Emergency Medical Transportation – Use of Revenue - Amendment

- DESCRIPTION:** Requires the County's annual budget to allocate 15% of the net revenues from the Emergency Medical Transport Insurance Reimbursement Program to local fire and rescue departments.
- PROBLEM:** The bill implements one component of an agreement between the County and the Montgomery County Volunteer Fire and Rescue Association (MCFVRA) regarding implementation of the Emergency Medical Transport Insurance Reimbursement Program.
- GOALS AND OBJECTIVES:** The 15% allocation established in the bill replaces language in current law that requires the Council to make a determination each year as to how much should be allocated to local fire and rescue departments in the annual budget. Under the bill, the authorized uses of this allocation are expanded to include: (1) replacement or augmentation of apparatus owned by local fire and rescue departments; (2) a facility owned by a local fire and rescue department; (3) training for volunteers; (4) gear and equipment for volunteers; (5) administrative staff to support a local fire and rescue department; (6) volunteer recruitment and retention; and (7) volunteer stand-by support.
- COORDINATION:** Montgomery County Fire and Rescue Service
- FISCAL IMPACT:** See Fiscal Impact Statement.
- ECONOMIC IMPACT:** See Economic Impact Statement.
- EVALUATION:**
- EXPERIENCE ELSEWHERE:**
- SOURCE OF INFORMATION:** Michael Faden, Senior Legislative Attorney, 240-777-7905
- APPLICATION WITHIN MUNICIPALITIES:** Fire and Rescue Service operates County-wide.
- PENALTIES:** Not applicable

BILL



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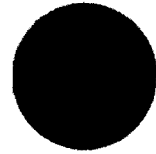
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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

February 25, 2013



RECEIVED
MONTGOMERY COUNTY
FEB 27 2013

TO: Nancy Navarro, President, County Council
FROM: Isiah Leggett, County Executive *[Signature]*
SUBJECT: Proposed Legislation: Emergency Medical Transport Insurance Reimbursement Program – Use of Revenue

I am transmitting for Council introduction a bill that requires the County's annual budget to allocate 15% of the net revenues from the Emergency Medical Transport Insurance Reimbursement Program to local fire and rescue departments. I am also transmitting a Legislative Request Report, Fiscal Impact Statement and Economic Impact Statement for this bill. In a separate package transmitted simultaneously, I am recommending a supplemental appropriation to the FY13 Operating Budget of the Montgomery County Fire and Rescue Service in the amount of \$1,204,016 to fund the 15% allocation to the Montgomery County Volunteer Fire Rescue Association (MCVFRA) in FY13.

The 15% allocation established in the bill replaces language in current law that requires the Council to make a determination each year as to how much should be allocated to local fire and rescue departments in the annual budget. Under the bill, the authorized uses of this allocation are expanded to include: (1) replacement or augmentation of apparatus owned by local fire and rescue departments; (2) a facility owned by a local fire and rescue department; (3) training for volunteers; (4) gear and equipment for volunteers; (5) administrative staff to support a local fire and rescue department; (6) volunteer recruitment and retention; and (7) volunteer stand-by support.

The bill and supplemental appropriation implement one component of an agreement between the County and the MCVFRA regarding implementation of the Emergency Medical Transport Insurance Reimbursement Program. I am attaching a copy of that agreement. If you have any questions about this bill, please contact Assistant Chief Administrative Officer Kathleen Boucher at 240-777-2593 or Fire Chief Richard Bowers at 240-777-2435.

Attachments (4)

Fiscal Impact Statement
Bill xx-12 – Emergency Medical Transportation – Use of Revenue - Amendment

1. Legislative Summary

The amendment would allocate 15 percent of net revenues from the Emergency Medical Services Transport Insurance Reimbursement Program to Local Fire and Rescue Departments (LFRDs) and expands the purposes for which a LFRD may expend the revenue. The legislation results from the Memorandum of Understanding (MOU) between the County and the Montgomery County Volunteer Fire Rescue Association (MCVFRA) regarding the use of EMS reimbursement revenue.

The amendment would allow the LFRDs to allocate this funding to replace or augment apparatus owned by the LFRDs, facilities, training, gear and equipment, administrative staff, volunteer recruitment and retention, volunteer standby support, and equipment for volunteers.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

The amendment would have no impact on total EMS reimbursement revenues or expenditures. But, because the bill allocates 15 percent of net revenues to the LFRDs, the funding available for other eligible purposes would be reduced by 15 percent. The amounts that would go to the LFRDs are shown below.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

The last line on the chart shows the funding that would be set aside for the LFRDs:

	FY13	FY14	FY15	FY16	FY17	FY18	TOTAL
Revenue Projections	\$8,557,640	\$17,619,696	\$18,100,911	\$18,628,920	\$19,188,329	\$19,759,903	\$101,855,399
Implementation Costs	\$1,030,870	\$1,329,280	\$1,355,750	\$1,384,790	\$1,415,560	\$1,446,990	\$7,963,240
Available Revenue	\$7,526,770	\$16,290,416	\$16,745,161	\$17,244,130	\$17,772,769	\$18,312,913	\$93,892,159
LFRD Funding	\$1,129,016	\$2,443,562	\$2,511,774	\$2,586,620	\$2,665,915	\$2,746,937	\$14,083,824

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not applicable.

5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

The bill does not authorize future spending.

6. An estimate of the staff time needed to implement the bill.

While not specifically addressed in the legislation, the MOU with the MCVFRA specifies that the distribution process would be similar to the Amoss grant process. The amount of

work effort to administer the payments to the LFRDs depends on how the funds are distributed and the proposed use of the funds. While this cannot be known with specificity at this time, MCFRS estimates it may require 0.50 FTE of work effort to administer the payments to the LFRDs.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

See number 6 above.

8. An estimate of costs when an additional appropriation is needed.

An additional appropriation is required to implement this legislation. The County Executive has transmitted a supplemental appropriation request for \$1,204,016 related to this proposed legislation and to implement the MOU with the MCVFRA. MCFRS has received approval from the Department of Homeland Security (DHS), the granting agency, to use the SAFER grant funds as intended, which will free up EMS reimbursement revenue originally appropriated to provide a ladder truck in the First Battalion. The freed up revenue plus position lapse and previously unappropriated EMS revenue will provide the funding needed for the supplemental appropriation.

9. A description of any variable that could affect revenue and cost estimates.

The LFRDs would receive 15 percent of net revenue collected by the EMS reimbursement program. The variables affecting the estimate are the same as those that could affect gross revenues, which were listed in the FIS for the original legislation: fee rates charged, documentation to support billing, changes in Medicare and Medicaid reimbursement rates and regulations, changes in private insurance market rates, the number of transports performed annually by the FRS, changes in local health care costs, and the negotiated fee associated with third party billing.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not applicable

11. If a bill is likely to have no fiscal impact, why that is the case.


Not applicable

12. Other fiscal impacts or comments.

Not applicable

13. The following contributed to and concurred with this analysis:

Dominic Del Pozzo, Department of Fire and Rescue Service
Amy Wilson, Office of Management and Budget.



Jennifer A. Hughes, Director
Office of Management and Budget

11/28/12
Date

Economic Impact Statement
Emergency Medical Transportation – Use of Revenues
Council Bill XX-12

1. The sources of information, assumptions, and methodologies used.

Bill XX-12E, Emergency Medical Transportation – Use of Revenues would: 1) establish the percentage of revenue to be allocated for the benefit of the local fire and rescue departments (LFRDs); and 2) expand the purposes for which an LFRD may expend emergency medical transport revenue.

Based on our review of the legislation we do not believe the legislation will have an economic impact since it only regulates how Emergency Medical Services Transport reimbursement revenue may be used but does not result in a change in the total amount of revenue generated.

2. A description of any variable that could affect economic impact estimates.

Not applicable

3. The bill's positive or negative effect, if any, on employment, spending, saving, investment, incomes, and property values in the County.

Not applicable

4. If a bill is likely to have no economic impact, why that is the case.

Based on our review of the legislation we do not believe the legislation will have an economic impact since it only regulates how Emergency Medical Services Transport reimbursement revenue may be used but does not result in a change in the total amount of revenue generated.

5. The following contributed to and concurred with this analysis:

David Platt, Department of Finance, Michael Coveyou, Department of Finance



Joseph F. Beach, Director
Department of Finance

10/19/12

Date

**Amended
Memorandum of Understanding
Between The County Executive of
Montgomery County, Maryland
And the
Montgomery County Volunteer Fire Rescue Association**

I. Recitals

Whereas, the County Executive of Montgomery County, Maryland (the "Executive") and the Montgomery County Volunteer Fire Rescue Association (the "Association"), collectively referred to here in as the Parties, seek to improve communication and promote cooperation between the Parties as a means of enhancing the volunteer contribution to the County's combination volunteer-career emergency fire and rescue service and ultimately improving such services for residents of and visitors to the County; and

Whereas, the Parties through good-faith discussion and negotiation have identified specific measures to foster such communication and cooperation as described herein; and

Whereas, the Parties intend and agree that the commitments and obligations described in this Memorandum of Understanding ("MOU") are binding and enforceable;

It is hereby agreed as follows:

II. Efforts to Ensure No Person Is Charged for EMS Transport

The parties agree to work together to seek a legal basis satisfactory to the parties to achieve the policy goal that no person should receive from the County any out-of-pocket bill for that portion of the emergency medical service transport reimbursement charge that is not covered by the person's public or private insurance.

III. Allocation of EMS Transport Fee

A. The Parties agree that a portion of the revenue EMS Transport Fee program established in Legislative Bill 17-12 (as may be amended from time to time – this agreement is transferable to any amended law, policy or procedure involving an EMS Transport Fee program) shall be allocated to strengthening the volunteer component of the County's combination fire and rescue service.

B. The Executive agrees to propose an amendment for the Fiscal 2013 budget and in future annual budget submissions to the County Council that fifteen percent (15%) of net EMS Transport Fee program revenue be provided to the Local Fire and Rescue Departments (LFRD) for the purposes set forth in Section III.C of this MOU. The Executive further agrees that such proposed increases will be

supplemental to and not supplant the amount currently provided in the Montgomery County Fire and Rescue Service (MCFRS) Fiscal 2013 budget.

C. The Parties agree that the funds provided in this Section may be used for the following purposes: LFRD-owned facilities, apparatus, and equipment; supplies; training; volunteer recruitment and retention; stand-by support; and administrative personnel. The Parties further agree that such funds may not be used for any other purpose, including but not limited to fundraising, political activities or lobbying activities. Parties agree to jointly propose amending the current law to allow for funds to also be used for facilities and hiring administrative personnel.

D. The Parties agree that the funds provided in this Section shall be disbursed to the Association and allocated among the LFRDs in a manner similar to that used to allocate funds to the LFRDs under the state's Section 508 AMOSS Grant Funds and follow the Montgomery County Fire and Rescue Service Policy 03-07 AM procedures for the allocation process but not the internal Montgomery County departmental administrative review and sign off for the distribution of the funds.

E. If an LFRD requests EMS reimbursement funds for apparatus replacement or augmentation, the LFRD must submit to the Fire Chief a volunteer staffing plan for the apparatus unless a volunteer staffing plan for the apparatus already exists. The Fire Chief and MCVFRA President will review and consider each request following the approval process for use of EMS reimbursement funds set out in paragraph D., above.

F. The Executive also agrees to support legislation that would codify the allocation described in Section III.B and C of this MOU in County law.

IV. Development and Implementation of Fire/Rescue Policy

A. On or about January 1 of each year, the Fire Chief would propose and submit to the Association a list of issues on which he plans to develop a new policy, regulation or general order during that year. The Fire Chief shall solicit input from the LFRDs through the Association prior to the submission of the list. The Fire Chief agrees to refrain from proposing new policies, regulations or general orders not on the list absent exigent or extenuating circumstances. The Association, working with the LFRDs, agrees to use the opportunities created by this process to provide substantive and timely input to the Fire Chief to foster more effective planning and analysis in the policy formulation and development process.

B. To further promote communication and cooperation in the policy formulation and development process, the Fire Chief shall (absent exigent or extenuating circumstances) provide the Association with advanced notice and copies of draft policies, regulations and general orders at least 45 days in advance of formal publication for notice and comment.

C. The Fire Chief shall create and maintain County-Volunteer Working Groups to assist in policy formulation and development, and it is the intent of the Parties that to the maximum extent possible future policies, regulations and general orders would be formulated and developed through these joint Working Groups. The volunteer members of such Working Groups shall be appointed by the Association President. The Fire Chief shall create such Working Groups for the following areas: Apparatus and Vehicles, Equipment, Facilities, EMS, Training, and Operations.

V. Areas for Bargaining Between the County and Association

- A. The Parties agree that the following issues are subject to bargaining under the collective bargaining agreement between the County and the Association pursuant to Section 21-6 of the Montgomery County Code:
- use of vehicles titled to the LFRDs;
 - use of buildings and facilities owned by the LFRDs;
 - staffing of apparatus with volunteer personnel;
 - grants submitted by LFRDs to governmental organizations or private entities;
 - and
 - physical and other requirements for volunteer chief and operational officers.

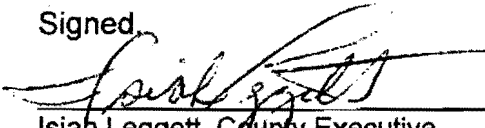
B. The Parties agree to begin discussions promptly on the issues in this Section with the goal of reaching agreements without the need for formal bargaining. If agreement cannot be reached between the Parties in a reasonable timeframe, the Parties agree to enter into formal bargaining on the issues unresolved in the above on the normal bargaining schedule.


VI. Miscellaneous Provisions

A. If any provision of this MOU is deemed by a court to be unlawful, the remaining provisions shall remain in full force and effect.

B. The Parties agree to a one-time-only (OTO) supplementation to the MCVFRA of \$75,000 in FY13 in accordance with our collectively bargained agreement.

Signed,


Isiah Leggett, County Executive
Montgomery County, Maryland
Date: 2-25/13


Marcine D. Goodloe, President
Montgomery County Volunteer
Fire and Rescue Association
Date: 2-15-13