Ambulance Association of Pennsylvania

Testimony for Public Hearing

Findings of the HR 315 Study conducted by both the Legislative Budget and Finance Committee (LBFC) and the Joint State Government Commission (JSGC)

House Veterans Affairs and Emergency Preparedness Committee

February 26, 2014

Chairman Barrar, Chairman Sainato and members of the House Veterans Affairs and Emergency Preparedness Committee, My name is Donald DeReamus and I am a Board Member and the Legislative Chair of the Ambulance Association of Pennsylvania (AAP). Accompanying me today is Heather Sharar, our Executive Director. This is my volunteer job. More importantly, I am a Senior-level manager with Suburban EMS of Palmer Township and a command authorized practicing Paramedic.

The AAP is a member organization that advocates the highest quality patient care through ethical and sound business practices, advancing the interests of our members in important legislative, educational, regulatory and reimbursement issues. Through the development of positive relationships with interested stakeholders, the AAP works for the advancement of emergency and non-emergency medical services delivery and transportation and the development and

realization of mobile integrated healthcare in this evolving healthcare delivery environment.

Our nearly 250 members are based throughout the Commonwealth and include all delivery models of EMS including not-for-profit, for-profit, municipal based, fire based, hospital-based, volunteer and air medical. Our members perform a large majority of the patient contacts reported to the Department of Health.

Thank you for the opportunity to discuss the findings of the House Resolution 315 study conducted by both the Legislative Budget and Finance Committee (LBFC) and the Joint State Government Commission (JSGC). The AAP looks at the LBFC and JSGC reports as an indispensable and welcome appraisal of all aspects of Pennsylvania's EMS System. As a truly independent organization whose members participate in many aspects of the EMS System and whose Board advocates for those members to their local, state and federal governments, their associated bureaucracies and other stakeholders; the AAP may be the only group who truly does not have a "dog in the fight" regarding the

recommendations of these reports other than improving our EMS System. Therefore, short of individual member parochialism or exuberance for local or state administrative aspects of the EMS System they may participate in, our Board accepts these reports and commends LBFC and JSGC on their candor, diligence and independent assessment of our EMS System.

Personally, I must be getting old because I can recall similar reports and Resolutions including SR 60, HR 92, the "Porter Report", the previous LBFC report, the NHTSA Assessment and multiple White Papers over the decades. Many themes and recommendations in the LBFC and JSGC reports are consistent with those from reports from decades past. The success or failure from the toil of these two independent agencies will be seen in the results, if any, from the many recommendations and research they have afforded us. Consequently, the Board of the AAP respectively suggests that this Committee utilize members of the General Assembly coupled with members of the EMS

stakeholder community, as was employed in the EMS Act revision and Regulatory process, to further explore and analyze the thirty plus recommendations of both the JSGC and LBFC and develop any regulatory, statutory or policy changes deemed essential to fulfill those recommendations.

While these reports covered a large scope from administrative structure to operations to an audit of the EMSOF, there are areas of Pennsylvania's EMS System that need to be evaluated along with these recommendations. The EMS System needs the General Assembly's assistance with insurance reimbursement issues, adequate Medicaid reimbursement, securing parity and sources of grant and EMS System funding, reimbursement for uncompensated trauma care and the inclusion of mobile integrated healthcare in community healthcare funding and planning. With the Committee's indulgence I will cover these briefly.

The EMS System deals with insurance reimbursement issues daily. We have been honored to stand with Representative O'Neill in this fight for nearly a decade to gain "direct pay" for non-participating providers. We look forward to working with Chairman Barrar as he introduces HB 2001 to permit EMS providers to gain payment for medical evaluation or treatment without the transportation component requirement consistent with the majority of EMS reimbursement. But perhaps the most looming reimbursement issue facing the EMS provider community is the cost shifting of payments from insurers through co-payments and increasingly larger deductibles to patient payments with the passage of the Patient Protection and Affordable Care Act (PPACA).

Medicaid payment for ambulance treatment and transportation is inadequate at best, well below the cost of providing ambulance services and less than half of what Medicare reimburses. Medicaid rates have been adjusted twice in the last three decades when

ambulance certification was voluntary as compared to annual adjustments afforded physicians, hospitals and other healthcare facilities. Governor Corbett has stated in his *Healthy Pennsylvania* 1115 Demonstration Application that Pennsylvania Medicaid provides payment rates for most services that are lower than Medicare or commercial payers, causing some providers to forego participation in the program and others to cross subsidize their Medicaid patients by charging more to private insurers.

EMS, compared to the fire service and police, receives no parity in the awards for grant funding. As reported by JSGC, EMS receives 12% of the earmarked funds under the Fire Company, and Volunteer Ambulance Service Grant Program and on the federal level EMS receives 3% out of $340 million allocated under the Assistance to Firefighter Grant (AFG) program.

The basis for current EMS System funding is centered on a vehicle code violation. Any downturn in the economy has the potential to

decrease actual receipts of payments for fines or any fluctuation in the number of citations written negatively impacts the EMSOF.

EMS routinely loses compensation for the treatment of trauma patients whose auto and health insurances are frequently exhausted by the cost of hospital care. There should be a mechanism through the Catastrophic Medical and Rehabilitation Fund (CMRF) to assist with some of the lost reimbursement to EMS agencies relative to uncompensated trauma care.

Mobile Integrated Healthcare or "Community Paramedicine" is showing great promise in other parts of the country with demonstrated results in saving countless healthcare dollars through improving patient satisfaction, reducing hospital readmissions of individuals with chronic disease, reducing repetitive patient Emergency Room visits and promoting treatment without transport or transport to alternative destinations. The General Assembly and the Administration needs to create a dialogue with the EMS Community to include the

acknowledgement and reimbursement of these programs in the Commonwealth's Community Healthcare plans moving forward.

Again, we thank you for this opportunity to address the Committee regarding the LBFC and JSGC reports. While It appears that we may be dysfunctional, it is truly a reflection on our fellow EMS providers that the JSGC recognized and acknowledged in their report that "Pennsylvania's EMS system works"....."From the top down, Pennsylvania's decentralized EMS system allows first responders throughout the Commonwealth to provide the best care regardless of local conditions". Just think what we can be going forward.

We are pleased to answer any questions the members may have.