

House Bill 2427

September 30, 2014

Chief Edwin C. Kline, President Delaware County Fire & EMS Chief's Association.

### Talking Points

- Associated costs not included in the legislation, will differ among municipalities
- Line 21 – the word “necessitates” leaves too much room for interpretation.
- This legislation limits payments from insurance companies to \$1,000
- Legislation should motivate insurance companies to pay.
- Should there be a state standard itemized cost list?
- This legislation describes discriminatory billing between those who pay taxes or contribute within a jurisdiction versus those who may pay taxes or contribute in another jurisdiction. Illegal on EMS side. This could be from a sale of goods or services that the fire company uses to raise funds too.
- Foreign insurance companies are paying a 2% tax which is used to fund relief associations across the state. Is this a (line 25) “payment of a tax which funds at least part of the fire company’s service ...”?
- How will this legislation affect recovery costs associated with a hazard materials incident? Consider the use of oil dry at an accident scene.
- How will accident determination of fault play into payment from those in jurisdiction and those from outside of it?
- Will receipts from billing be used against fire companies by local municipalities to lower funding from taxes? Isn't fire protection their responsibility?

### Statement

Thank you, representative Barrar and this committee for inviting me to speak today. This is a very important issue for my fire company, the municipality I serve as Fire Chief, and for the 76 fire companies I represent in Delaware County. Many, of the 49 municipalities in Delaware County, are billing for fire services. Some have municipal ordinances supporting this billing, some do not. In Nether Providence Township where I am a Fire Chief, we recently passed an ordinance and plan to start billing for auto accidents in the near

future. This process will involve a third party billing company who will keep a percentage of each bill to pay for their services. Both fire companies in this suburban community of 13,000 people have agreed to use the same billing company and the same itemized cost sheet relative to the specific services provided at each emergency. Should similar state legislation include a statewide itemized cost sheet? Or should each fire company be left to determine this for themselves? If left to the state, why is there a cap of \$1,000 dollars included in this legislation? If left to the fire companies, again why cap it? “Actual and reasonable response costs” will differ across the state, like the cost of living does. What will state guidance look like? If my company responds to an accident with entrapment in our local jurisdiction a minimum of a rescue truck and an engine respond. If there are two patients actually trapped in the vehicle we will currently charge them \$1,500 per patient for extrication, plus oil dry, hand tools, debris clean up, traffic control, and use of the apparatus themselves. This bill will be over \$4,000. A cap set as low as \$1,000 dollars by the state will negatively impact our current billing procedure.

In response to an emergency, described as an “incident that requires responsive, coordinated action to protect an individual, the environment, critical infrastructure, or property”; who decides what resources, or itemized costs were “necessitated” by the emergency? This is unclear and may leave incident commanders open to be challenged by insurance companies.

Certainly we agree that state legislation like this will help those fire companies who choose to bill for itemized costs from an emergency obtain payments from insurance companies. But it does not currently place this burden on any insurance company, just the individual. May a foreign insurance company claim that they already pay a "tax which funds at least part of the fire company's service" through the 2% tax they pay which funds the state fire relief system? Will this legislation interfere or cause confusion with recovery requirements of hazard materials incidents? If one individual involved in an auto accident is from the jurisdiction and the other is not, who pays the bill from the fire company? Currently just the individual who does not pay a tax or contribute to the jurisdiction, but what if they were not determined to be at fault in the accident? It is possible that no cost or percentage of costs from an accident may be chargeable to either party. With only the individual from outside the jurisdiction required to pay. Is this discriminatory?

Today what is left of the private, no-profit, Pennsylvania fire service is in great need of additional funding! Billing those individuals who do not already pay a tax or provide a contribution for local fire company response seems reasonable. I worry though that the receipt of these funds will be used against us by the very municipality we serve to protect. How easy it would be for municipal leaders to determine that since their fire company made an extra \$15,000 on billing last year they can reduce their contribution to the same fire company by the same amount in order to keep their budget balanced. This would result in a net gain of zero for the fire company but tax

relief for the residents. All the time adding to the paperwork burden of already overworked volunteer fire chiefs.

We need addition funding streams, with the proper protection from municipalities and insurance companies, proper itemized cost guidelines, referenced integration with exiting recovery laws, reduced interpretation, removal of the cap, and nondiscriminatory application; direct itemized cost billing will be beneficial.

But we also should be placing the burden on the local municipality to provide funding for the services they expect to have, to work with their fire company leadership to insure that proper levels of equipment and responders are being maintained. The state should continue to create ways for multiple fire companies and their respective municipalities to work together to provide these services, maybe through the creation of fire districts who tax for services like our schools do.

I support the efforts made by the Representatives here today and look forward to direct billing legislation that works for fire companies in Delaware County and throughout Pennsylvania. Money that will enable us to provide the necessary services our residents expect every time they drive by the fire station or see a firefighter.

Thank you.