

PS COMMITTEE #1&2  
February 7, 2013  
**Worksession**

**MEMORANDUM**

February 5, 2013

TO: Public Safety Committee

FROM: Essie McGuire, Senior Legislative Analyst 

SUBJECT: **Worksession – Executive Regulation 15-12, EMS Reimbursement Program, and Update on EMS Reimbursement Program Implementation**

Today the Public Safety Committee will receive an update on the implementation of the Emergency Medical Services Transport Reimbursement Program, and review proposed Executive Regulation 15-12, EMS Reimbursement Program. Fire Chief Richard Bowers and other Montgomery County Fire and Rescue Service (MCFRS) staff will participate in this discussion.

**1. Program update**

Council staff notes that implementing a program of this magnitude requires significant effort and that MCFRS and other County departments have worked extensively to accomplish this effort close to the expected timeframe.

MCFRS has provided an overview update of implementation activities (circles 1-2). Of the four approved positions to implement the program, the administrative specialist and patient advocate are already hired, the manager will start February 11, and the remaining accountant position is in the final stages of hiring. The County is currently finalizing the contract with a third party billing entity.

MCFRS had to apply for Federal approval to bill under Medicaid and Medicare, and anticipates approval of this application in March. Once these elements are in place, the County will be able to start billing. The County will be eligible to bill under Medicaid and Medicare from the date of application, which was in December.

**Reporting:** The Council's FY13 operating budget approval resolution required reports on several aspects of the reimbursement program, including numbers and types of incidents, mortality rates, invoices and revenues, waivers, out-of-County resident transports, and hardship waivers (budget provision attached on circle 3). The Fire Chief reports that he will be able to gather the needed data from the billing contractor, the CAD system and patient reporting system, and working with the hospitals.

**Waiver process:** MCFRS outlines its initial plans for implementing the waiver process on circle 2. MCFRS plans to include information on the waiver in any bills that are sent, and refer individuals to the patient advocate. The patient advocate will then work with the individual to complete the information process. If an individual has income below 300 percent of the poverty level and is approved, the billing company will be instructed to stop billing the patient.

**Revenue Projections:** The fiscal impact statement on circle 9 reiterates the revenue projections for this reimbursement program. For FY13, the projected revenue is \$8.6 million. Executive branch staff indicates that it is too early to determine whether the revenue projections need to be revised and that MCFRS intends to meet the projection.

In Council staff's view, while the County should make every effort to meet the revenue target, it is plausible that revenues might come in lower in the first fiscal year. The Fire Chief states that EMS fund expenditures will be carefully controlled to not exceed revenues. The Committee can revisit this issue during operating budget discussions and get another program update and estimate of revenues at that time.

## **2. Executive Regulation**

The Executive transmitted Executive Regulation 15-12, Emergency Medical Service Reimbursement Program, on December 19, 2012 (attached at circles 5-7). At the same time, he transmitted a temporary regulation to allow the provisions to begin on January 1, 2013. The temporary regulation is valid for up to 90 days.

Proposed regulation 15-12 was processed under Method 2, which gives the Council 60 days to approve or disapprove the proposed regulation. If the Council does not take action in that time or extend it, the regulation automatically takes effect. Pending the outcome of this Committee review, the Council is tentatively scheduled to act on the regulation on February 12.

The Executive's transmittal letter indicates that the regulation was advertised in the May 2012 Register and no comments were received.

The regulation sets the reimbursement schedule; requires individuals to provide information regarding either their insurer or to obtain a hardship waiver; and requires the Fire Chief to increase the reimbursement schedule according to Federal requirements.

The reimbursement schedule in the regulation is consistent with the Code of Federal Regulations (CFR) regarding ambulance services, and the regulation requires that the Fire Chief must comply with Federal regulations in administering all aspects of the reimbursement program. MCFRS states that the \$8.50 per mile charge was the average mileage charge in 2008 for jurisdictions in the National Capital Region.

**Council staff recommends approval of the proposed Executive Regulation 15-12 as submitted.**

## Public Safety Committee Responses – February 7, 2013

- Please provide an overview of the efforts to date to implement the reimbursement program, including the status of the related positions, the billing contract, and community outreach efforts. What is in place to collect the data needed to implement the reporting requirement in the operating budget resolution?

*Efforts to date have focused on four areas: (1) community outreach; (2) securing a contract with the billing company; (3) hiring employees that will manage the program; and (4) securing approval for Medicare and Medicaid reimbursement. Community outreach efforts have been ongoing for several weeks and have included advertisements on county facilities, on buses and shelters, in newspapers, and on cable television. Final agreement on the contract and attachments will come within days, and then the contract can be signed. The FY13 budget funds four county positions for the program – a manager, an accountant, an administrative specialist, and a patient advocate. The administrative specialist and patient advocate have been hired and are working. The manager has accepted an offer and will start on February 11<sup>th</sup>. The person who will fill the accountant position is in the final stages of the hiring process and is expected to start on February 25<sup>th</sup>. The application for approval to bill Medicare and Medicaid was submitted in December and is proceeding through the review process. We anticipate that the application will be approved in March. Approval allows the county to seek Medicare and Medicaid reimbursements going back to the date that the application was submitted.*

*With regard to the reporting requirement, a separate account has been established for EMS reimbursement expenditures and revenues. Standard financial reports should enable us to meet the reporting requirements in the budget resolution.*

- What is the anticipated timeframe for billing and collecting reimbursements? Based on this timeframe, is there a revised FY13 revenue projection, and what is the expectation for expending EMS funds in this fiscal year?

*We anticipate that bills will begin going out in mid-April and that revenue will begin coming in a few weeks after that. FRS intends to meet the projected revenue in FY13. It is difficult to determine during the initial stages in implementing the EMS Reimbursement Program if revenues will need to be revised. The expenditures of budgeted EMS reimbursement funds are being carefully controlled to ensure that expenditures do not exceed revenues.*

- The regulations indicate that the fees listed are consistent with Federal Regulations, but do not specify what the mileage charge of \$8.50 per mile is based on. Please explain how the mileage charge is determined.

*This was the average mileage charge in 2008 for jurisdictions in the National Capital Region.*

- Please detail the process and information that will be used for individuals to apply for a waiver of the fee and how the applications will be reviewed.

*To date, there has been initial effort on the details of the fee waiver process that will apply to uninsured, low income, out-of-county residents. We need to finalize an application and develop details of the process. In general, the process would start when the bill is received. The bill will indicate that hardship waivers are available and the patient advocate's contact information will be provided. The patient advocate will send an application and instructions to the person requesting the waiver, and the requestor should respond with the completed application and an income tax return and/or other documentation showing income below 300 percent of the poverty level. The patient advocate will forward the completed application and supporting documentation to the fire chief or designee to approve or disapprove the waiver request. If approved, the billing company would be instructed to stop billing the patient and write off the anticipated revenue.*

41. This resolution appropriates \$8,330,870 to the Montgomery County Fire and Rescue Service for the following items needed to implement the Emergency Medical Services Transport Reimbursement Program and the uses of revenue collected under this Program:

Third party billing	\$470,670
Community Outreach	\$200,000
Personnel Training	\$25,000
Personnel to implement program. These funds may be used to create no more than 4 new positions. One position must be a Patient Advocate.	\$335,200
Apparatus Replacement: 1 ladder truck, 1 engine, 5 EMS units	\$3,100,000
Facility Maintenance and Improvement	\$2,300,000
Service Restoration: ladder truck 1 <sup>st</sup> Battalion	\$1,300,000
Training	\$250,000
Fire and Rescue Equipment	\$350,000
<b>Total</b>	<b>\$8,330,870</b>

[These funds must not be spent before January 1, 2013. These funds must not be spent after January 1, 2013 if Bill 17-12 is repealed by referendum or is otherwise not implemented.] *Clerk's note: eliminated by Resolution 17-537*

If the EMST reimbursement program is implemented in FY 2013, the Fire Chief must submit a report to the Council not later than June 30, 2013 that includes for the period January 1 through May 30, 2013, the following data collected in collaboration with area hospitals.

- (a) The number of 911 calls for emergency medical services during the reporting period and a comparison to the number in this reporting period for the prior year;
- (b) The number and type of emergency medical services provided during the reporting period;
- (c) The mortality rates for County hospital for STEMI incidents, and a comparison to the rates in this reporting period for the prior year;
- (d) The number of patients arriving in hospital emergency rooms complaining of heart attack or stroke symptoms who did not arrive by ambulance and a comparison to the number in this reporting period for the prior year.
- (e) The number of invoices issued to collect revenue under this program and the average amount charged.
- (f) The number of EMS transports of out-of-County residents;
- (g) The number of hardship waivers requested and the number granted; and
- (h) The number and type of calls received by the Patient Advocate.

42. During FY 2013, the Council estimates that the Director of Finance will transfer the following amounts from the General Fund to these Non-Tax Supported Funds:

EXEC REG



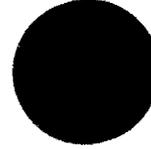
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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM



December 19, 2012

Method 2

TO: Nancy Navarro, President County Council  
FROM: Isiah Leggett, County Executive   
SUBJECT: Executive Regulation 15-12, Emergency Medical Service Reimbursement Program

With this memorandum, I am transmitting Executive Regulation 15-12, Emergency Medical Service Transport Fee, for your approval. This Regulation establishes: (1) An emergency medical services transport fee 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. Full year revenues are estimated to be \$18 million.

The executive regulation was advertised in the May 2012 Montgomery County Register with a comment deadline of May 30, 2012. No comments were received. It was processed under Method 2. If there are any questions, please call Assistant Chief Scott Graham at 240-777-2493.

RECEIVED  
MONTGOMERY COUNTY  
COMMISSIONER

2012 DEC 19 PM 4:19





# MONTGOMERY COUNTY EXECUTIVE REGULATION

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

<b>Subject</b> Emergency Medical Service Reimbursement Program	<b>Number</b> 15-12
<b>Originating Department</b> Montgomery County Fire and Rescue Service	<b>Effective Date</b>

Montgomery County Regulation on

## EMERGENCY MEDICAL SERVICES REIMBURSEMENT PROGRAM

Issued by: County Executive

Regulation No. 15-12

COMCOR: Chapter 21

Authority: Montgomery Code Section 21-23A

Supersedes: N/A

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

Register Volume No. 29 Issue 5

Effective Date: The date this Regulation is approved by the Council under Section 2A-15 (f)  
Emergency Medical Services Reimbursement Act becomes effective

Comment Deadline: May 31, 2012

**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; Email: [Scott.Graham@montgomerycountymd.gov](mailto:Scott.Graham@montgomerycountymd.gov)

**Address:** Montgomery County Fire and Rescue Service  
100 Edison Park Dr.  
Gaithersburg, Md., 20878



# MONTGOMERY COUNTY EXECUTIVE REGULATION

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

<b>Subject</b> Emergency Medical Service Reimbursement Program	<b>Number</b> 15-12
<b>Originating Department</b> Montgomery County Fire and Rescue Service	<b>Effective Date</b>

## 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

<b>Subject</b> Emergency Medical Service Reimbursement Program	<b>Number</b> 15-12
<b>Originating Department</b> Montgomery County Fire and Rescue Service	<b>Effective Date</b>

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 the Council approves this regulation under Section 2A-15 (f).

Approved:

Isiah Leggett, County Executive

APPROVED AS TO FORM AND LEGALITY.  
OFFICE OF COUNTY ATTORNEY  
BY Marc Hansen  
DATE 12/19/12



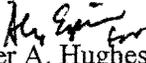
OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett  
County Executive

Jennifer A. Hughes  
Director

MEMORANDUM

May 3, 2012

TO: Timothy L. Firestine, Chief Administrative Officer  
FROM:  Jennifer A. Hughes, Director  
SUBJECT: Executive Regulation No. 15-12 -- Emergency Medical Services Reimbursement Program

Please find attached the fiscal impact statement for the above-referenced executive regulation.

JAH:aw

c: Kathleen Boucher, Assistant Chief Administrative Officer  
Lisa Austin, Offices of the County Executive  
Joy Nurmi, Special Assistant to the County Executive  
Patrick Lacefield, Director, Public Information Office  
Richard Bowers, Chief, Fire and Rescue Service  
Scott Graham, Fire and Rescue Service  
Dominic Del Pozzo, Fires and Rescue Service  
Alex Espinosa, Office of Management and Budget  
Amy Wilson, Office of Management and Budget  
Naeem Mia, Office of Management and Budget

Office of the Director

101 Monroe Street, 14th Floor • Rockville, Maryland 20850 • 240-777-2800  
[www.montgomerycountymd.gov](http://www.montgomerycountymd.gov)

**Fiscal Impact Statement**  
**Executive Regulation 15-12 – Emergency Medical Services (EMS) Reimbursement Act**

**1. Executive Regulation Summary**

This regulation establishes an emergency medical services transport reimbursement schedule and a requirement that an individual who receives an emergency medical services transport provide certain information and execute an assignment of certain health insurance benefits.

**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.**

Projected revenues are based on a mix of four payer types: Medicare, Medicaid, Commercial/Auto Insurance and Self Pay and average revenue per transport rate of \$265 in FY13 up to \$291 in FY18 and a Montgomery County Fire and Rescue Service (FRS) estimated transport volume of 64,700 for FY13 which is expected to increase to 68,000 in FY18. Assuming implementation of the reimbursement charge January 1, 2013, FY13 revenues are estimated to be \$8,557,640.

Three additional full-time personnel are needed to implement the program: one Manager of Billing Services to manage internal County billing issues; one Accountant/Auditor; and one Administrative Specialist. The FY13 salary and benefits are estimated to be \$258,780.

Estimated operating expenses for FY13 total \$695,670 and are comprised of third-party contract expenditures of \$470,670 (5.5% of gross revenues collected); \$200,000 for community outreach activities in FY13, reduced to \$25,000 in FY14-18; and \$25,000 in FY13 for training. Total annual operating expenses are dependent, in part, on the negotiated fee for the third-party contractor who will manage the billing program on behalf of the County. Costs of community outreach will be reduced after the initial year of implementation because the need for these outreach activities will not be as significant when the program is fully operational.

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

	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	\$954,450	\$1,252,860	\$1,279,330	\$1,308,370	\$1,339,140	\$1,370,570	\$7,504,720
Available Revenue	\$7,603,190	\$16,366,836	\$16,821,581	\$17,320,550	\$17,849,189	\$18,389,333	\$94,350,679

\*FY13 revenue estimate assumes implementation of the reimbursement charge on January 1, 2013. Third-party contract billing expenses are pro-rated based on implementation of the reimbursement charge, and all other expenditures are full-year costs in FY13. Net revenue available after implementation/administration costs will be allocated to eligible expenditures.

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

Not Applicable

- 5. Later actions that may affect future revenue and expenditures if the regulation authorizes future spending.**

Not Applicable

- 6. An estimate of the staff time needed to implement the regulation.**

It is expected that three additional full-time personnel will be needed for implementation: one Manager of Billing Services; one Accountant/Auditor; and one Administrative Specialist.

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

The staff time required to implement the regulation would be handled by the new positions identified above and therefore would have no impact on other duties.

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

An additional appropriation of \$954,450 is needed in FY13 to implement the program.

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

Variables that could affect the estimated revenues and costs include 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 the regulation is likely to have no fiscal impact, why that is the case.**

Not Applicable.

- 12. Other fiscal impacts or comments.**

While the proposed legislation permits retroactive collection of transport reimbursements to July 1, 2012, the fiscal impact statement assumes collection would not actually begin until January 1, 2013.

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

Scott Graham, Department of Fire and Rescue Service  
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

5/3/2012  
Date