



## Fire Department

8501 Veterans Highway, Millersville, Maryland 21108  
Phone 410-222-8200 • Fax 410-987-2904 • TDD 410-222-8747  
www.aacounty.org

John R. Leopold, County Executive  
John Robert Ray, Fire Chief

### Testimony of Fire Chief John Robert Ray, Anne Arundel County Fire Department

05/08/2012 before the Montgomery County (MD) County Council

Mr. Chairman and members of the County Council, thank you for the opportunity to appear before you this evening to speak about Anne Arundel County's EMS Fee for Service program and urge your favorable consideration of your legislation. My name is John Robert Ray, and I am the Fire Chief of the Anne Arundel County Fire Department, serving over 538 thousand Maryland residents. Although a smaller cousin to Montgomery County, striking similarities between our combination career/volunteer Fire Departments and the demographics of our populations lend themselves as relevant to the issue under consideration.

Since 2008, our Country, State, and County have struggled under the crushing weight of a prolonged recession that has had devastating effects on our collective ability to provide essential services to our citizens. Although I cannot speak to the specific challenges you are facing here, we share a common desire to ensure critical services, and I am confident you are besieged with similarly difficult choices. On a smaller scale, we are likewise searching

for innovative strategies to meet our mission without asking our citizens to contribute more at a time when they are already struggling to survive.

To that end, we have located a new revenue stream that is forestalling even more painful cuts to our budgets. In 2009, the County Council of Anne Arundel County implemented a program to bill Insurance companies for EMS transport. The program asks insurance companies to pay their fair share of insurance premiums already charged to county residents. Although there was tremendous trepidation prior to implementation and some substantial emotional arguments promoted by a variety of constituencies, I am pleased to report that the program has been an overwhelming success.

Please allow me to cite a few examples reflective of this success:

- The county has realized 17 Million dollars in new revenue since the inception of the program, with an average annual income of \$6 million dollars based on 40,000 patient care transports with an effective collection rate of 30%. All funds collected are deposited into the General Fund pursuant to County Code.
- The new revenue stream has allowed us to provide critical system support, particularly in the area of Basic Life Support service which constitutes 60% of our transports.
- There has been no reduction in call volume consistent with the introduction of the Fee for Service program. In fact, our call volume continues to increase at the steady rate of approximately 5% per year.

- In the three years since the program started, **no County Resident has paid any money out of pocket for an ambulance transport when transported by a County ambulance.**
- The county's bond rating agencies have specifically cited this program as a positive attribute in helping to maintain our bond rating at AAA.

Additionally, our program provides the following:

- No case is ever referred to a collection agency
- A compassionate billing program provides a waiver for non-residents experiencing financial hardship
- Out of County residents receive requests for payment consistent with the demands placed on the system

One of our on-going challenges is the demand for services into surrounding jurisdictions. Just as here, Anne Arundel County participates in automatic aid agreements with surrounding partners in public safety. Of note, every time that a mutual aid ambulance responds into our County and transports a patient, the county resident is subject to the EMS transport fees imposed by that jurisdiction. At least three jurisdictions: Annapolis, Prince Georges County and the City of Baltimore participate in a fee recovery program. Annually, they are transporting approximately 3000 Anne Arundel County residents and the revenue associated with the provision of that service is going directly to their jurisdiction. The parallel for Montgomery County residents can be drawn every time a District of Columbia ambulance transports a county resident – that county resident is subject to the EMS fee

imposed by DC. Conversely, every time a Montgomery County EMS unit responds outside the County and transports a patient, county taxpayers are paying for the provision of that service at no cost to the user.

My goal here today is not to direct your decision. I would never presume to imply that our experience is causally relevant to your experience should you choose to implement this program. You must clearly act in the interest of the needs of your citizens taking into account all of the factors that are attached to this complex issue. I hope that in providing information about Anne Arundel County's experience I have been able to successfully allay commonly held myths and concerns relating to the deployment of a valuable new revenue stream in these most challenging economic conditions.

I will be happy to answer any questions you may have about our program and I once again thank you for your attention and invitation to speak this evening.