

**Testimony of Erik S. Gaull, NREMT-P
before the Montgomery County Council
May 8, 2012**

President Berliner and honorable Members of the Council, my name is Erik Gaull. I have been a volunteer paramedic/firefighter in the County since 1986. I have an MBA and a Master of Public Policy from Georgetown University. I spent more than eight years as a full-time consultant to fire and EMS agencies across the United States and Canada, working on complex EMS management and finance issues for jurisdictions including Chicago, Houston, Winnipeg, Wake County (NC), Prince William County (VA), and Washington, DC. I was the primary author for the EMS chapter of the first edition of the U.S. Fire Administration's manual, *Funding Alternatives for Fire and EMS Departments*. I teach two resident courses at the National Fire Academy – *EMS Management* and *Advanced Leadership Issues in EMS*. I am on the Editorial Review Boards of *EMSWorld Magazine* and *Prehospital and Disaster Medicine*. I have given more than 100 presentations at public safety conferences throughout the United States, Europe, and the Middle East.

It is incomprehensible to me that Montgomery County does not have EMS cost recovery in place. Plainly stated, by not having cost recovery, the County is leaving millions of dollars in the pockets of big insurance companies.

People who argue that seeking cost recovery for EMS usage will result in higher insurance premiums do not understand how insurance works. Insurance companies do sophisticated actuarial calculations to determine the likelihood an insured party will need an ambulance and what they will have to pay in reimbursement for such use. For personal or work reasons, Montgomery County

residents are regularly in nearby jurisdictions – almost all of which seek reimbursement from insurance companies for ambulance service. Because there's no way to know if someone will have a heart attack or car crash in say, D.C., as opposed to Montgomery County, insurance companies set aside money in anticipation of needing to reimburse for EMS usage. This means that the cost of projected ambulance usage is already included in the premiums that County residents pay. When reimbursement is not sought, insurance companies gladly pocket as profit all money budgeted for EMS usage.

An argument has been advanced that implementation of EMS cost recovery will result in people being unwilling to call 9-1-1 in a medical emergency. Simply put, the empirical experience of the nation's largest and most geographically diverse EMS billing firm clearly demonstrates that there is no drop-off in call volume associated with the implementation of cost recovery programs. People call EMS when they need an ambulance irrespective of whether their insurance company is going to receive a request for reimbursement.

Finally, I know that some – but certainly not all – of my fellow volunteers object to cost recovery because they worry that the public will be less willing to make donations to their departments. While I understand this fear, experience from across the nation does not support the concern.

At bottom, leaving millions of dollars on the table is – at the end of the day – foolhardy. Big insurance companies already consider this money spent, and they are only too happy to keep it when jurisdictions don't ask for it.

I urge the Council to do the intelligent thing by approving EMS cost recovery legislation as soon as possible.