Date: 25-April-2017
To: The Honorable John Fonfara, Senator  
    Co-Chair, Finance, Revenue and Bonding Committee  
The Honorable Franz Scott, Senator  
    Co-Chair, Finance, Revenue and Bonding Committee  
The Honorable Jason Rojas, Representative,  
    Co-Chair, Finance, Revenue and Bonding Committee  
From: Bruce Baxter, Immediate Past President  
CC: Ranking Committee Members  
    Committee Vice Chairs  
    Committee Members

RE: HB 7322:

Senator Fonfara, Senator Scott, Representative Rojas, Ranking Members, Vice Chairs and Committee Members, my name is Bruce Baxter. I am the CEO of New Britain Emergency Medical Services Inc., a 501C3 Non Stock, Not for Profit EMS Corporation who holds designations as the City of New Britain’s 9-1-1 Primary Service Area Responder for First Responder, Basic Ambulance Transport as well as providing paramedic Advanced Life Support.

I also service as the Immediate Past President of the Connecticut EMS Chiefs Association. The Connecticut EMS Chiefs Association represents the Chief Executive Officers of those ambulance services operating in the State of Connecticut with the sole and primary mission of providing 9-1-1 response, care and medical transportation to individuals experiencing acute, out of hospital medical or traumatic emergencies.

Eligible members of our Association are directly responsible for more that 70% of the 450,000 911 EMS responses managed in the State each year. Our member organizations are municipally operated or 501 [c] 3 non-stock, not-for-profit organizations currently exempt from Federal or State Taxation.

The Connecticut EMS Chiefs Association Opposes House Bill 7322.

The proposed repeal of Sec.31. Subdivision (5) and (8) of section 12-412 of the general statutes and section 13a-175K of the general statutes effective July 1, 2017 will result in the immediate deterioration of the local and Statewide EMS response infrastructure.
The State’s EMS System Infrastructure is comprised of 200+ licensed and certified ambulance organizations. The majority of these organizations are 501[c]3 community based CT non-profit corporations. They provide essential life saving services/support services to the State’s residents and visitors with a moment’s notice and do so without regard to a patient’s ability to pay for the services rendered.

1. Unlike other states, the Connecticut Department of Public Health regulates all aspects of the State’s EMS industry inclusive of:

   - The services for which EMS is permitted to bill.
   - Annually setting the maximum retail charges for each service based on their costs.
   - Restricting each services annual operating (profit) margins to no more than 2% for non-profit and 7% for profit EMS organizations annually.

   As a result, CT EMS providers’ annual operating margins and their retail ambulance charges are 25% to 50% lower than the charges and margins by services in neighboring states.

2. The State Department of Public Health utilizes the CON process to assure services operate with maximum efficiency, limited/controlled competition and without excess resulting in unnecessary expense to consumer.

3. State regulations prohibit non-profit EMS services from billing for the provision of non-emergency medical transportation services. Billing for these services are restricted to for-profit organizations.

4. All 911 EMS service must staff based upon a cost of readiness for the community, its population and its emergency need as opposed to staffing based on predictable demand for services. As such, the cost of 911 service provision is higher than the cost of non-emergency transport services.

5. Not all EMS responses result in a patient requiring transportation to a healthcare facility. As an example 9-1-1 EMS organizations:

   - Are required to respond to all 911 requests where a patient request assistance or are likely to require medical assistance without regard to their ability to pay.
   - Are restricted to only billing a patient or their health insurance when the patient meets the requirement for transportation to a hospital emergency department.
20% to 40% of a community’s 911 EMS call volume annually results in response, patient assessment and the administration of care inclusive of medications but does not result in transportation and therefore no ability to recoup those costs by billing a patient’s insurance. This is an unreimbursed cost of providing 9-1-1 services to a local community.

6. Insurance reimbursement does not cover 100% of the each service’s costs to provide services. As you are aware, government insurance programs inclusive of Medicare and Medicaid reimburse $.37 to $.65 per dollar of a service’s cost of rendering service to those patients they respond to, care for and transport.

7. Non-profit EMS services provide essential 911 EMS services to 13 of the State’s 25 most distressed communities. In those communities, the services manage a disproportionate share of primary Medicaid beneficiaries, primary Medicare beneficiaries- whose insurance program reimburse significant less than the service cost of providing the services rendered. While the ACA expanded coverage to uninsured patients in those communities, those EMS agencies continue serve a disproportionate share of uninsured and under insured patients as compared to other communities in the State.

8. All EMS providers licensed and certified by the State Department of Public Health inclusive of Non-profit EMS organizations are required by current DPH regulation to have service contracts in place with each municipality they serve. The majority of those communities are underwriting the cost associated with their contracted EMS service either through in kind contributions and or tax subsidies.

We recognize that changing the direction of the state’s current fiscal situation is a daunting and challenging task.

While some feel that the healthcare system and non-profit health care and human service environment is bloated with an excess of profit, the operating margins of the non-profit EMS organizations Statewide organizations ranges from functioning at a loss to no more than 2% annually.

If implemented, the non-profit community based EMS system that responds to majority of the State’s visitors and residents call for help in most of the municipalities will have no other alternative than to reduce the level of services they provide their communities or seek additional municipal tax based support in order to balance their annual budgets.

Placing a tax burden on nonprofit EMS organizations whose rates and profit margins are regulated, and who rely upon charitable donations, grants, in kind or direct municipal tax base
support to assure their communities prompt, clinically proficient 911 EMS response services, is not the correct approach to take in seeking new revenues to balance the State’s budget.

There is no money in the non-profit EMS coffers to provide their current level of service the State’s municipalities enjoy and pay for the tax without reducing service levels and placing residents lives at risk. As such, The Connecticut EMS Chiefs Associated urges the committee to redact this regressive repeal from the current version of HB 7322.