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**HOUSE DEMOCRATIC POLICY COMMITTEE**

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**HOUSE OF REPRESENTATIVES**

COMMONWEALTH *of* PENNSYLVANIA

*House Democratic Policy Committee Hearing*

Emergency Management Services

Friday, May 5, 2023 | 10:00 AM

Representative Lisa Borowski

10:00a.m. Welcome and introductions

10:05a.m. Opening Remarks

10:10a.m.  
PANEL ONE Emergency Responders

Brian Zimmerman, Executive Director  
*Radnor Fire Company*

Ron Gravina, Vice President  
*Edgmont Fire Company*

Bill Cairns, Chief  
*Rocky Run Fire Company*

*Q & A with Legislators*

10:50a.m.  
PANEL TWO Local Government Impact

Tim Boyce, Director, Emergency Management Services & Emergency  
Management Coordinator  
*Delaware County*

Bill White, Manager  
*Radnor Township*

*Q & A with Legislators*

11:30a.m.

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**PANEL THREE Education and Recruitment**

**Jerry Ozog, Executive Director**  
*Pennsylvania Fire and Emergency Services Institute*

**Don DeReamus, Legislative Committee Chair**  
*Ambulance Association of PA*

**Heather Sharar, Executive Director**  
*Ambulance Association of PA*

*Q & A with Legislators*

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**HOUSE OF REPRESENTATIVES**  
COMMONWEALTH *of* PENNSYLVANIA

# Emergency Medical Services Funding Challenges

BRIAN J. ZIMMERMAN, MBA

1 Thank you for your time today. My name is Brian Zimmerman. I have been involved in emergency  
2 services since 1998. I have spent 18 years working as a Paramedic, with the last 12 here at Radnor Fire  
3 Company. I also work as a flight paramedic for a Philadelphia health system. I have worked or  
4 volunteered in Lancaster County, Berks County, Chester County, Montgomery County, and Delaware  
5 County, so I have a broad knowledge base of emergency services in southeastern Pennsylvania. I have a  
6 BS in Biology with a Pre-Medical concentration from Immaculata University and an MBA from Eastern  
7 University. I am going to speak on EMS Funding today.

8 Not-for-profit emergency medical service (EMS) agencies receive funding in several different ways. I  
9 wanted to provide you with a brief overview of these to set the context for the funding issues and  
10 limitations that these funding streams provide. This is not a new issue. It has been discussed in SR60  
11 from 2004 and SR6 from 2018. We are several decades into this crisis. The COVID-19 pandemic  
12 highlighted it once again. Unfortunately, the SR reports helped to bring about some positive legislation  
13 but has done little to move the needle on sustainable funding for EMS.

14 Many EMS agencies have subscription programs. The way these programs work, a citizen can provide a  
15 donation to the organization. In return for that preset donation amount, the EMS agencies agree to not  
16 balance bill the citizen. This means that if the citizen were to use the EMS agency for an emergency, the  
17 agency would bill the citizen's insurance company and accept whatever if anything, the insurance  
18 company provides as payment in full. The EMS agency would not request payment from the citizen for  
19 any balance that remains on that bill. This provides both positive and negative benefits for the citizen  
20 and the organization. The citizen is betting that they would need the use of an ambulance. If they did  
21 not think they would use the EMS service, there would be no reason for them to provide that donation.  
22 On the flip side, the EMS organization is betting that the citizens participating in these programs will not  
23 need their service. The benefit is completely on the citizen's side when the EMS service is used. The  
24 citizen cost controls their expense, but the organization adds to their uncollectable debt. The  
25 organization will lose money but guarantees the citizen they will not bill for the balance. These programs  
26 do not charge the citizen the total cost of a single request for service. In this way, the EMS Organization  
27 is gambling that the citizen doesn't use the service and they collect something for nothing. In the event  
28 the citizen uses the service once, the EMS organization has already lost money. In the event, the citizen  
29 uses the service more than once in the time frame of the program, that results in the EMS organization  
30 providing services for free. EMS organizations that have stopped these programs have done so because  
31 they cannot sustain the losses these programs create. These losses must then be passed along to other  
32 funding sources. This is not a sustainable funding source.

33 EMS agencies do fund drives. These fund drives are mailings, social media posts, emails, etc., requesting  
34 a tax-deductible donation. There is no expectation of any exchange, as there is in a subscription  
35 program; these are straight charitable donation requests. These fund drives rely on the goodwill of the  
36 citizens. Depending on the EMS agency's location within the state, these fund drives may or may not  
37 provide meaningful income. These fund drives are not a sustainable funding source.

38 Grants for EMS agencies not associated with a fire department are significantly hard to get. EMS is not  
39 held on the same level as law enforcement or firefighting and, as a result, has limited availability to  
40 grants. In some cases, EMS-only agencies are excluded from applying for these grants. Grants, by their  
41 very nature, are one-time payments and non-guaranteed, making them a non-sustainable funding  
42 source.

43 Local-level government funding. Based on their form of government and classification, there may be  
44 slight differences, but in Pennsylvania, local government is required to ensure it is provided. The same  
45 requirement of ensuring the service is provided, also provides the local level government the ability to  
46 decide how, if at all, they fund the service. This requires EMS agencies and local-level government to  
47 have a symbiotic relationship. Radnor Fire Company has been fortunate to have an excellent  
48 relationship over the years with Radnor Township. This has allowed Radnor to remain financially stable  
49 over the years. Not all EMS agencies have the ability to devote the majority of their efforts to providing  
50 their critical services rather than worrying if their agency can survive another year. There are some  
51 municipalities in Chester County that have refused to name an EMS Provider by resolution. By not doing  
52 this, they have avoided engaging an EMS agency in talks about funding. These municipalities have  
53 requested that the 911 center send whoever is the closest ambulance at the time of the request. This  
54 puts those agencies and the municipalities that fund them in a precarious position of having to subsidize  
55 the service to those municipalities.

56 Fundraising can no longer fill the income gap. The cost of services and goods and has changed drastically  
57 over the years and has reached a point where an agency can no longer BBQ their way to a new fire truck  
58 or ambulance. The civic-minded volunteer has kept this going for years, probably to the detriment of the  
59 system. They meant well and worked hard at fundraisers, and as a result, the funding system has not  
60 changed. Police departments are not holding basket bingos, beef, beers, or fill-the-boot drives.

61 EMS billing, I saved this one for last on purpose. It is not a straightforward matter with many caveats  
62 and nuances. The largest payer group for EMS agencies is Medicare/Medicaid patients. This group is  
63 overseen by the government who has set a fee schedule, and has passed laws preventing EMS agencies  
64 from billing the balance to the patient. So the largest revenue stream for billing is capped at a number  
65 significantly below the cost to provide a break even. Commercial insurance pays better and is close to, if  
66 not the cost to break even. These insurance providers, however, prefer to have EMS providers become  
67 in-network providers so that the insurance companies can negotiate a lower price in return for providing  
68 the payment in a timely manner. To promote this, some insurance companies will pay the insured  
69 directly and require the EMS agency to attempt to collect the money from the patient. Many patients  
70 turn that money over, but many do not. Some abusers of the system use that money as an income  
71 source and some simply do not turn it over to the EMS agency. Self-pay or uninsured patients make up  
72 the third bucket. These patients are the ones who suffer the most in this system. EMS agencies have to  
73 raise their rates to compensate for being underpaid by government programs. They do this to gain a  
74 larger payment from commercial insurance providers. In doing this, there is a line where the price  
75 becomes predatory to the uninsured patient. The price is raised and becomes so high that it can  
76 financially ruin an uninsured patient. To avoid this, some EMS agencies will balance that with the higher  
77 returns they could receive from commercial insurance.

78 The EMS funding system as seen through the example of a restaurant. There are specific costs  
79 associated with running a restaurant. Food prices are set to cover the service costs to the diner and  
80 provide some additional income so that the business can grow and upgrade its facilities. If they were  
81 able to collect income as an EMS agency does, this is how it would look.

82 You go into a diner and have a government card for payment (funding from another source that is set,  
83 eg, Medicare). You order a \$100 meal, and when you leave, you pay with that government card which

84 has determined that the meal is only worth \$40. The diner accepts that government card as payment in  
85 full and, by law, cannot collect the remaining \$60.

86 You go into a diner and have a gift card (someone paid up front to cover your future cost, e.g.  
87 commercial insurance). You order the same \$100 meal and pay with the gift card. The gift card will cover  
88 the full \$100, but the gift card company will send that \$100 to you, and the diner will have to follow up  
89 with you later and request that you turn that money over to them. You can if you want, but don't have  
90 too; their only recourse is to take you to small claims court.

91 You go into a diner without cards and pay cash (self-pay/uninsured). You order the same \$100 meal and  
92 pay with cash. When you go to leave, you decide you want to pay something but can't afford the whole  
93 bill, so you leave \$20 on the table and leave. The diner's only recourse is to take you to small claims  
94 court.

95 Well, some say not to serve those who cannot pay. Even if you ignore the ethical dilemma that creates,  
96 EMS agencies in Pennsylvania do not have the option to knowingly refuse service based on the ability of  
97 a patient to pay. This means that this diner knows they cannot collect the total cost to serve these  
98 guests, so they have an option of providing a subscription to their restaurant, setting up a car wash by  
99 donation in the parking lot to wash the guest's cars while they eat, look for one-time grants to recoup  
100 some money or go to their local level government and ask for money. No one would provide startup  
101 funds for this type of business plan. Why is this acceptable for EMS agencies?

102 These funding sources are based on a volunteer EMS system that no longer exists. The volunteer EMS  
103 system had low overhead making these funding streams workable. Volunteers are critical to the  
104 emergency response system, and governments and agencies must do what they can to retain whom  
105 they have foremost and recruit others. With the societal changes over the years, it is untenable to think  
106 that volunteers will provide the bulk of the services in the future.

107 EMS agencies are under significant strain. Agencies continue to close, placing additional stress and  
108 financial burdens on those remaining agencies. No single legislation will solve the overall funding  
109 problem for EMS in Pennsylvania. It will take a coordinated effort at the Federal, State, and local level in  
110 coordination with the fire and ems agencies. Non-Profit Fire and EMS agencies, by their tax status, are  
111 not permitted to be politically involved, including lobbying. There is no way for these agencies to  
112 compete with high-powered, well-funded for-profit lobbyists. To fix the system, it will take legislatures  
113 like yourself listening to and understanding the system and its failures to take action.

114 What are some common sense initiatives that you can start with?

- 115 • Support legislation like HB 479 sponsored by Rep. Borowski.
  - 116 ○ While this legislation does not solve the overall funding problem for EMS in
  - 117 Pennsylvania, it is one component that addresses an issue that has been wrong with the
  - 118 system for an extended period of time for agencies like Radnor Fire Company. This
  - 119 legislation exemplifies how state legislators can make a simple but meaningful impact
  - 120 on high-quality EMS.
- 121 • Fix the direct payment issue – adopt a fee schedule at the State level that the insurance industry
- 122 can agree to.

- 123                   ○ Again, this will not solve the overall funding problem, but it will significantly increase the  
124                   ability of EMS agencies to collect funds promptly. This billing revenue will be critical for  
125                   local municipalities as they find ways to fund EMS services.
- 126           ● Place EMS on the same footing as Law Enforcement and Firefighting at the state level and  
127           advocate for the same at the federal level.
    - 128                   ○ EMS-only agencies need access to grants they currently cannot apply for.
  - 129           ● Allow for Relief Funding to be used for EMS and staffing
    - 130                   ○ Fire departments continue to respond to more EMS-related calls. 68% of their responses  
131                   are EMS-related responses (300 series calls in the NFIRS system) versus 3% Fire related  
132                   responses (100 series calls in the NFIRS system), yet these funds cannot be used for  
133                   anything EMS related.
    - 134                   ○ Even if wages would be excluded, the ability to use this funding for safety equipment  
135                   and training for career staff would help exponentially.
- 136 Thank you for your time today.



**Tim Boyce**  
**Emergency Services Director, Delaware County**  
**5.5.23**

I would like to recognize Representative Borowski and her leadership here in Delaware County as a former township commissioner and her now, continued, advocacy for public safety at the state level.

I also welcome you all to Delaware County on behalf of the County Council, and our Chair Dr. Monica Taylor.

As emergency services director for Delaware County, my responsibilities are to support, coordinate and sustain our first responders. Our County includes 49 municipalities, more than 575,000 residents and 62 volunteer and/or municipal fire and ems agencies. We are one of the most densely populated counties within the commonwealth and rely greatly on volunteers to provide emergency services.

Demands for emergency services continue to rise and the complexity, severity and consequences of events knows no bounds.

In this legislative district, construction of new homes, growth in our healthcare, college and university communities, the concerns of repurposing and expansion of pipelines, and traffic congestion all fall upon our first responders to address.

In other parts of our County, aging housing stock, lack of access to healthcare and job opportunities, have put our most socially and economically vulnerable residents into making desperate decisions to simply sustain their families.

The consequences of both growth and decay fall equally on an ever-decreasing number of organizations and people willing to risk their lives to protect others.

First responders continue to answer the call but inevitably, something must be sacrificed. Fund raising at the expense of training, equipment at the expense of prevention, recruitment at the expense of response and retention at the expense of personal sacrifice.

Our first responders cannot focus on saving lives and property when they are forced to give of their time and talents to raise money to fund operational needs.

Delaware County Council recognizes these challenges and has taken several proactive steps to support first responders. We see our role at the County level as one to facilitate opportunities to improve efficiencies. Provide information and analyze data to promote informed decisions. To work with first responders and local municipal officials to coordinate efforts to reduce the non-emergency requirements of being a first responder.

Delaware County Council, under the leadership of Dr. Taylor and Vice Chairman Ms. Elaine Schaffer who is here with us today, has also made an enormous financial commitment to our first responders to

improve communications and address fund raising losses. More than \$40,000,000 is being spent to replace our emergency radio system and equip all first responders, police, fire, and EMS, with modern radios. A cost previously born by local departments.

This council has also committed nearly \$1,750,000 to offset the additional costs born by fire and ems agencies during the covid response.

While dollars do matter, Delaware County is also addressing the need to ensure that fire and ems members have the leadership knowledge, skills, and abilities to serve their communities responsibly and ethically.

Through a partnership with Villanova University, we endeavor to provide world class organizational leadership training to Volunteer Leaders so that they can grow personally and professionally. Recognizing the importance of having fire and ems organizations that emulate the values and qualities that inspire people to join, belong, and contribute to the whole community's success is as equally as important to dollars as we continue to rely on and benefit from volunteers.

I encourage the legislator to continue to provide the tools to reduce the financial burden of volunteering. To develop legislation that enables local municipalities to consider forming tax authorities to share the costs of services. To continue to support Counties that are bearing the costs of providing 911 services and emergency communications that exceed the current 911 fee funding formula allotments.

I also ask that the Commonwealth provides and requires ethics and organizational leadership certification so that we ensure that we value the contributions of those who volunteer and that emergency services are provided equitable and ethical to our residents.

I thank you for this time and on behalf of all the first responders here in Delaware County, and across the commonwealth, your willingness to address systemic issues with new ideas.



**MOIRA MULRONEY, ESQ.** *Ward 5*  
*President*  
**MAGGY MYERS** *Ward 2*  
*Vice President*  
**JACK LARKIN, ESQ.** *Ward 1*  
**ANNAMARIE JONES** *Ward 3*  
**JIM RILEY** *Ward 4*  
**JAKE ABEL** *Ward 6*  
**SEAN FARHY** *Ward 7*

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**WILLIAM M. WHITE**  
*Township Manager*  
*Township Secretary*

**JOHN B. RICE, ESQ.**  
*Solicitor*

**KEN FROHLICH**  
*Treasurer*

April 27, 2023

## INTRODUCTION:

My name is Bill White, Township Manager & Secretary for Radnor Township. I have served Radnor since July 2010 where I joined as Finance Director, then was promoted to Finance Director/ Assistant Township Manager in 2018, then eventually to the Township Manager position in February 2020. I have a master's degree in business administration and have worked in public accounting for more than twenty-four (24) years in two states.

## TESTIMONY

The Radnor Fire Company provides top-notch ambulatory and fire services to the Residents of Radnor Township. That's never a difficult discussion. Paying for it, on the other hand, has become a more difficult discussion over the last six to seven years. Funding the Fire Company has become a significant portion of the Township's General Fund budget.

Radnor Township provides four categories of funding to the Radnor Fire Company. Those categories include operating contributions, capital contributions, workers compensation and vehicle insurance coverage, and fuel. For the purposes of this testimony, let's focus only on the operating and capital contributions because the other areas are relatively small by comparison and have remained stable.

Back in 2016, Radnor Township provided the Radnor Fire Company \$350,805 in direct operating and capital contributions. In 2023, that amount has ballooned to \$1,013,805<sup>2</sup>. That's a \$663,000 per year increase over the seven-year period. It began in 2017 when the Board authorized an additional \$75,000 per year, then another \$200,000 in 2018, then \$100,000 more in 2019, then \$250,000 more in 2020. Finally, in 2022 the Fire Company and Board of Commissioners agreed to a volunteer EMS and fire personnel stipend that added \$18,000 to the operating contributions. Capital remained stable at \$200,000 per year until another \$20,000 was added in 2023. Finally, we know that additional funding will be needed in future years when the Federal staffing grants awarded to the Fire Company wind down.

During the budget discussions in each of these years, the Fire Company would approach the Board of Commissioners, presenting their need, always within reason and easily explainable: The Fire Company was limited in using Volunteer Fire Relief funds, coupled with the shrinking numbers of volunteers, and changes in the ambulance billing payment laws, all requiring more and more contributions from the Township to hire paid staff and make up the revenue shortfalls in ambulance billing. Please note that in Radnor, the annual deposits for the Volunteer Fire Relief account average \$315,000+/-.

From the Township's perspective, the Board of Commissioners must weigh the needs of the Fire Company's request against other pressing matters that include police staffing, public works staffing, departmental equipment replacements, post-employment benefit funding, roads, sidewalks, building maintenance, parks, trails, and others. Balancing a municipal budget, where infinite demands are requested, but with very finite resources, is always daunting. Many areas of the Township's budget have gone unaddressed through the years, partially due to the rising Fire Company expenses.

Some might suggest that Radnor should just increase taxes to cover these needs. However, Radnor's Board of Commissioners must be cognizant of the *total real estate tax impact* of municipal increases, coupled with increases being adopted by the County and School District. Decisions made to help just the Fire Company cannot be made in a vacuum. From 2012-2019<sup>3</sup>, thanks to business tax performance, Radnor did not have to increase real estate taxes to cover the Fire Company needs. It wasn't until 2020<sup>1</sup>, that the Board was forced to add 0.2500 mills to help provide dedicated, annual revenue needed to cover the Fire Company contributions.

In the end, the strong partnership between the Radnor Fire Company and the Township has allowed the Fire Company to remain staffed and solvent, despite the limited Volunteer Fire Relief usage, declining volunteerism, and lost ambulance billing revenue. The subject of volunteerism is difficult to predict, however, changes to the Volunteer Relief Funding allowances and ambulance billing laws can have an immediate, positive impact to both the Fire Company and the municipalities required to fund them.

Thank you for your time. I'm happy to address any questions.

<sup>1</sup> 0.2500 Mills in 2020 generated \$695,000+/- in new revenue.

<sup>2</sup> Exhibit A: Fire Company Contributions from the 2023 Township Budget

<sup>3</sup> Exhibit B: Radnor Real Estate Tax rates from the 2023 Township Budget

## Exhibit A

# Radnor Township, PA Fire Company Contributions 2023 Operating Budget Narrative

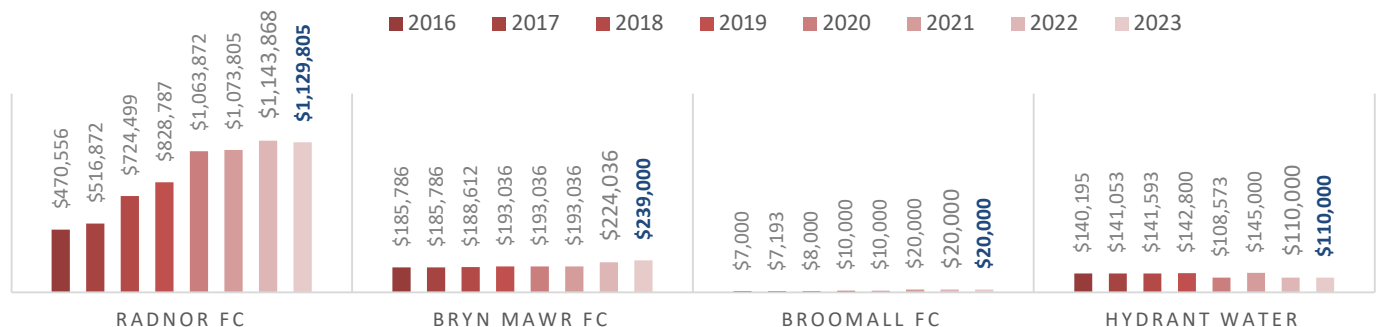


### Department Summary:

This category of the budget accounts for the Township's contributions to the fire companies that provide service to the Township. These amounts are requested by the fire companies and approved by the Board of Commissioners. Also, note that the Township also makes significant capital contributions on an annual basis. The amounts of the contributions are included in the table below, but are accounted for in the Capital Improvement Fund #005 (See the Five-Year Capital Plan)

Fire Company	2016	2017	2018	2019	2020	2021	2022	2023
<b>Radnor</b>								
Base Operating Contribution	100,805	100,805	100,805	100,805	100,805	100,805	100,805	100,805
2016 Subsidy ALS	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
2017 Subsidy Fire Ops		75,000	125,000	125,000	125,000	125,000	125,000	125,000
2018 Subsidy Fire Ops			150,000	150,000	150,000	150,000	150,000	150,000
2019 Subsidy Fire Ops				100,000	100,000	100,000	100,000	100,000
2020 Subsidy Fire Ops					250,000	250,000	250,000	250,000
Fire & EMS Stipend							18,000	18,000
Workers Comp and Veh Ins	112,112	83,406	83,838	89,497	76,894	84,956	126,166	96,000
Fuel	7,639	7,661	14,856	13,485	11,173	20,210	24,806	20,000
Capital Contributions	200,000	200,000	200,000	200,000	200,000	200,000	200,000	220,000
<b>Total RFC Contributions</b>	<b>470,556</b>	<b>516,872</b>	<b>724,499</b>	<b>828,787</b>	<b>1,063,872</b>	<b>1,080,971</b>	<b>1,144,777</b>	<b>1,129,805</b>
<b>Bryn Mawr Fire Company</b>								
Base Operating Contribution	102,750	102,750	105,576	110,000	110,000	110,000	130,000	130,000
Fire & EMS Stipend							11,000	11,000
Capital Contribution	83,036	83,036	83,036	83,036	83,036	83,036	83,036	98,000
<b>Total Bryn Mawr FC</b>	<b>185,786</b>	<b>185,786</b>	<b>188,612</b>	<b>193,036</b>	<b>193,036</b>	<b>193,036</b>	<b>224,036</b>	<b>239,000</b>
<b>Broomall Fire Company</b>								
Base Operating Contribution	7,000	7,193	8,000	10,000	10,000	20,000	20,000	20,000
<b>Total Broomall</b>	<b>7,000</b>	<b>7,193</b>	<b>8,000</b>	<b>10,000</b>	<b>10,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Hydrant Water Utility</b>	<b>140,195</b>	<b>141,053</b>	<b>141,593</b>	<b>142,459</b>	<b>108,573</b>	<b>144,764</b>	<b>110,000</b>	<b>110,000</b>
<b>Total Township Expense</b>	<b>703,537</b>	<b>850,904</b>	<b>1,062,704</b>	<b>1,174,282</b>	<b>1,375,841</b>	<b>1,438,771</b>	<b>1,538,927</b>	<b>1,498,805</b>
<b>Add: Vol. Fire Relief</b>	<b>352,921</b>	<b>317,067</b>	<b>289,912</b>	<b>312,004</b>	<b>311,062</b>	<b>278,955</b>	<b>347,063</b>	<b>300,000</b>
<b>Total Fire</b>	<b>1,156,458</b>	<b>1,167,971</b>	<b>1,352,616</b>	<b>1,486,286</b>	<b>1,686,903</b>	<b>1,717,726</b>	<b>1,885,990</b>	<b>1,798,805</b>

## FIRE COMPANY CONTRIBUTIONS





Property Taxes (cont'd)  
General Fund (#001)

The table below reflects the Township’s millage rates since 2012:

Year	Operations	Debt Service	Total Rate	Reason
2012	3.7511	-	3.7511	n/a
2013	3.7511	-	3.7511	n/a
2014	3.7511	-	3.7511	n/a
2015	3.7511	-	3.7511	n/a
2016	3.7511	0.1717	3.9228	Park / Trail Bonds
2017	3.7511	0.1717	3.9228	n/a
2018	3.7511	0.1717	3.9228	n/a
2019	3.9865	0.1717	4.1582	OPEB Funding Plan
2020	4.2365	0.1717	4.4082	Fire Company Funding
2021	2.2250	0.0587	2.2837	Adjusted for Reassessment
2022	2.2250	0.0587	2.2837	n/a
2023	2.3278	0.0587	2.3865	Operating & Capital Requirements

Pennsylvania Fire & Emergency Services Institute  
Jerry Ozog, MPA, EFO, CAE – Executive Director

Testimony, May 5, 2023

Chairman Bizzarro and members of the House Democratic Policy Committee. We would like to sincerely thank you for the continued attention on Pennsylvania's emergency responders.

The Pennsylvania Fire & Emergency Services Institute is a nonprofit statewide advocacy and educational organization supporting volunteer and career organizations across Pennsylvania.

The situation facing ambulance services and municipalities in Pennsylvania is 10 years in the making and difficult discussions and action will need to happen to fix this issue: Ensuring an ambulance arrives on the incident scene with highly trained EMTs and Paramedics in a reasonable time period.

Your statewide organizations including the Ambulance Association of Pennsylvania and PFESI have been advocating and have had some success statewide. EMS leaders have been advocating at the Federal level for reimbursement changes, however clearly it is not enough.

One thing I can guarantee is there is a high level of awareness at of this issue across the Commonwealth. However more education is needed, especially directly to the public. There have been some solutions proposed.

HB 479 regarding the mileage reimbursement, SB 501 and SB 502 would permit additional funding by organizing using the authorities act. Recently Representative Rigby has introduced HB 1035, 1036, and 1037 that would give municipalities the option to increase the currently permitted ambulance tax from .5 mils to 1.5 mils.

There are other local initiatives going on across Pennsylvania specifically, Lancaster County, Allegheny County, and Pike County. I have recently learned of an initiative in one of the most rural counties Forest County driven by 5 townships.

This is a public policy and community support issue. Our legacy organizational structures sometime create barriers to improvement. I envision a solution that involves community coalitions that utilize multi-municipality, regional or countywide initiatives to ensure service. The first step in this process is research and data analysis and identify areas of collaboration. Getting the key stakeholders around the table, facilitate the hard discussion and make decisions. Solutions will require a local champion or champions who can drive the change.

I would be happy to answer your questions or be a resource for your committee work. Thank you very much!

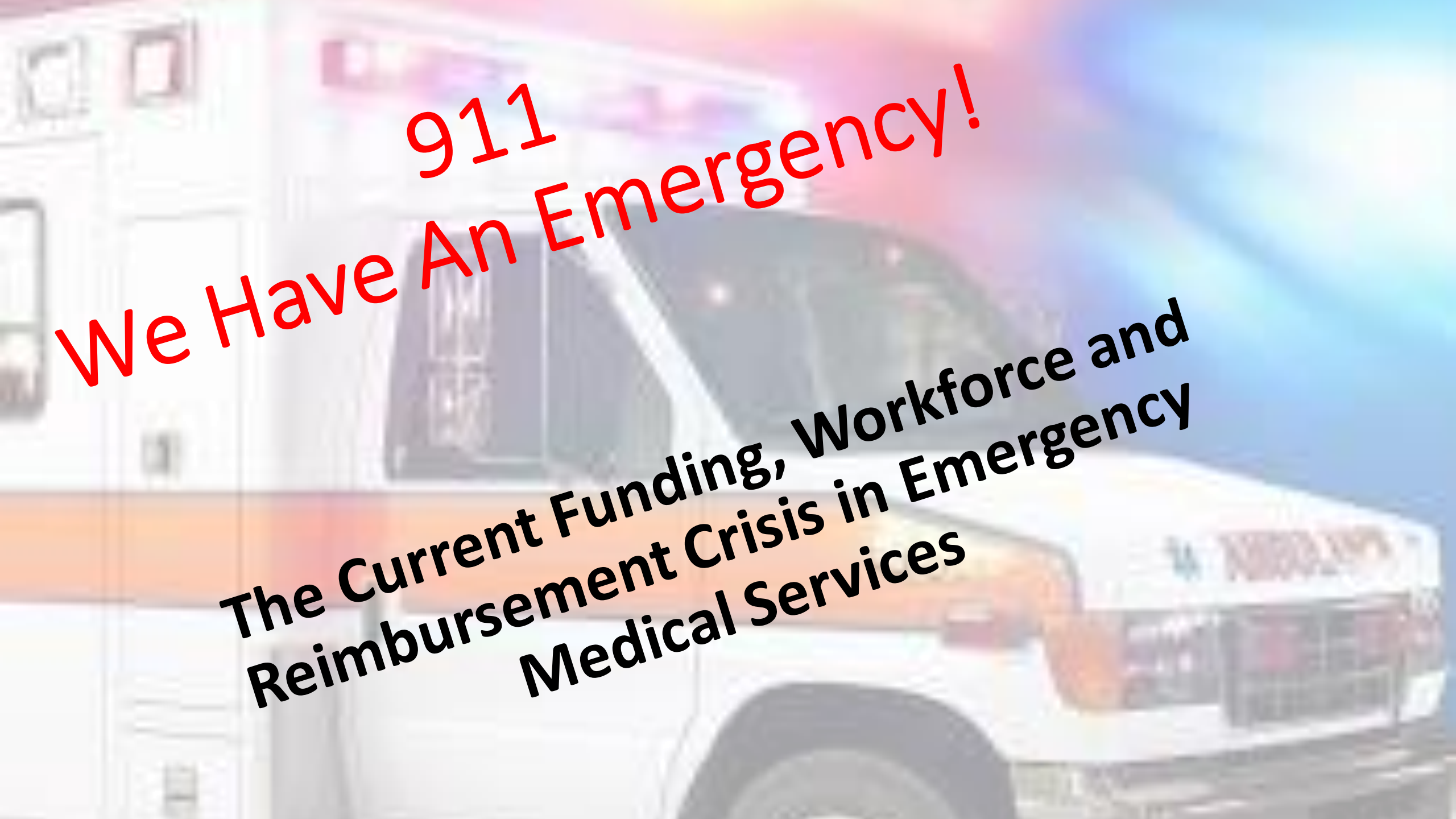
# House Democratic Policy Committee

Emergency Management Services

May 5, 2023







911  
We Have An Emergency!

**The Current Funding, Workforce and  
Reimbursement Crisis in Emergency  
Medical Services**

# THE EMS SYSTEM IS BROKEN

- **Medical Assistance**
- **Sustainable Funding**
- **Recruitment, Retention and Workforce Development**
- **Statewide Fee Schedule**
- **Community Health Plan**
- **Insurance Reimbursement**

# THE EMS SYSTEM IS BROKEN



# Medical Assistance

- **Medical Assistance is 80% of Medicare rate**
- **Reimbursement for mileage “after 20 miles” is not consistent with Medicare or any other insurance reimbursement or transportation program**
- **No review procedure for annual adjustment relative to inflation**
- **Medicaid regulations for payment and medical necessity for ambulance transportation are four decades old**

**BELOW COST REIMBURSEMENT**



# Sustainable Funding

- There is **NO** sustainable statewide or municipal funding mechanism to support EMS delivery
- All current funding mechanisms are “optional”
- Funding must be provided directly to EMS Agencies – not solely to the EMS “System” administration
- EMS is “an essential service” as designated by the General Assembly in the Emergency Medical Services System Act of 2009

**EMS AGENCIES ARE FAILING FINANCIALLY**

# Recruitment, Retention and Workforce Development

- **30% national turnover rate of EMTs and paramedics annually**
- **Fixed poor reimbursement and financial distress hinder wages**
- **Sunset of minimum staffing waiver for basic life support in 2027**
- **Better oversight and assistance for state licensed EMS Education Institutes**
- **Department of Labor and Industry – critical workforce**

**WORKFORCE SHORTAGE – LACK OF STAFFED AMBULANCES**



# Statewide Fee Schedule

- **Explore the implementation of a “reasonable” statewide ambulance fee schedule with ALL insurers**
- **Mechanism for annual review based on consumer price index**
- **Prohibit co-pays for emergency ambulance service**
- **Average EMS cost \$550 – Average EMS reimbursement \$350**

**PREDICTABLE REVENUE - ALL PROVIDERS “IN NETWORK”**

# Community Health Plans

- **Evaluation of payment for Community Health Choices**
- **Unique clientele**
- **Increase in bariatric patients**
- **Residential site evaluations**
- **Extra personnel for safe transportation and movement of patient and EMS workforce**

**PAYMENT FOR SERVICES BEYOND TYPICAL WORK**



# Insurance Reimbursement

- **Require insurers to pay base level of service provided for claims related to treatment without transport**
- **Investigate insurance reimbursement for paramedic intercept to alleviate private pay burdens of your constituents**
- **Investigate the elimination of medical co-pays and/or deductibles for 911 emergency ambulance treatment and/or transportation**

**ADEQUATE REIMBURSEMENT FOR CARE PROVIDED**

# Contacts

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- **Don DeReamus, Legislative Chair** [ddereamus@suburbanems.org](mailto:ddereamus@suburbanems.org)
- *The Ambulance Association of Pennsylvania (AAP) is a member organization that advocates the highest quality patient care through ethical and sound business practices, advancing the interests of our members in important legislative, educational, regulatory and reimbursement issues. Through the development of positive relationships with interested stakeholders, the AAP works for the advancement of emergency and non-emergency medical services delivery and transportation and the development and realization of mobile integrated healthcare in this evolving healthcare delivery environment.*
- *Our membership includes all delivery models of EMS including not-for-profit, for-profit, municipal based, fire based, hospital-based, volunteer and air medical. Our members perform a large majority of the 2 million annual EMS patient contacts reported to the Department of Health.*



# **House Democratic Policy Committee**

**Emergency Management Services**

**May 5, 2023**

Good morning Chairman Bizzarro and members of the House Democratic Policy Committee, my name is Donald DeReamus and I am a Board Member and Legislative Chair of the Ambulance Association of Pennsylvania (AAP). Accompanying me today is Heather Sharar, our Executive Director. Thank you for the opportunity to address the Committee. I realize the time constraints so I will be brief.

To put it bluntly, the Emergency Medical Services (EMS) System in this Commonwealth is broken. EMS Agencies are struggling financially from a myriad of crucial issues:

- **Funding** – there is no sustainable funding mechanism supporting the delivery of EMS or the cost of readiness
- **Workforce** – with an annual turnover rate of 30%, there is a severe shortage of EMS providers in the Commonwealth and nationally
- **Reimbursement** – costs to provide service are substantially more than the reimbursement paid resulting in a deficit on every response

These core issues have created a timely access to prehospital EMS care issue in the entirety of this Commonwealth, but especially in rural Pennsylvania.

- A decrease in the EMS workforce equates to less EMS resources and staffed ambulances
- A decrease in staffed ambulances increases response times
- A decrease in EMS resources increases mutual aid responses

A non-viable EMS System impacts 911 emergency response, the movement of critically ill patients between acute care and specialty care hospitals and the movement of

patients between hospitals, skilled nursing facilities and other medical care. Any failure in the System directly impacts morbidity and mortality.

I hope you gain a true understanding of the gravity of the issues facing our state's EMS System as they are momentous. We have outlined areas for dialogue of potential solutions in the attached document.

Your commitment during this legislative session, along with the EMS Provider Community and other stakeholders, will determine our future and will have a direct effect on the wellbeing and lives of your constituents and visitors in the Commonwealth.

*The Ambulance Association of Pennsylvania (AAP) is a member organization that advocates the highest quality patient care through ethical and sound business practices, advancing the interests of our members in important legislative, educational, regulatory and reimbursement issues. Through the development of positive relationships with interested stakeholders, the AAP works for the advancement of emergency and non-emergency medical services delivery and transportation and the development and realization of mobile integrated healthcare in this evolving healthcare delivery environment.*

*Our membership includes all delivery models of EMS including not-for-profit, for-profit, municipal based, fire based, hospital-based, volunteer and air medical. Our members perform a large majority of the 2 million annual EMS patient contacts reported to the Department of Health.*



## 2023-2024 Legislative Agenda

### Medical Assistance

- Change Medical Assistance reimbursement for mileage to be consistent with federal Medicare policy reimbursing ambulance services for **the number of miles the Medicaid beneficiary is transported in the ambulance vehicle**
- Apply the annual federal “Ambulance Inflation Factor (AIF) to Medical Assistance payment for ambulance services to provide the basis for an update to the payment limits for ambulance services that is equal to the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) for the 12-month period ending with June of the previous year
- Regulatory fixes to Title 55, Chapter 1245 Ambulance Transportation consistent with federal guidelines under the Medicare Claims Processing Manual and Medicare Benefit Policy Manual
- Raise the Medicaid rate comparable to the Medicare rate for ambulance service

### Sustainable Funding

- Develop a **non-optional** model for sustainable funding of EMS either through a combined municipal/county funding model, a county authority model or state tax or fee returned to the municipality with the premise that every municipality has some financial responsibility for the provision of EMS in their community
- The AAP will support funding that is provided directly to transporting EMS agencies
- EMS is an essential service, designed by the General Assembly, in Act 37 of 2009. EMS should be acknowledged, promoted and supported as an essential service and safety net for many residents in Pennsylvania

### Recruitment, Retention and Workforce Development

- Review workforce availability and clinical data related to the change in minimum staffing requirements for basic life support ambulances under Act 72 of 2022 to justify an extension to the sunset date of April 2027.
- Revise current regulations under 28 Pa Code §1025 Education. EMS Educational Institutes to give the Department of Health Bureau of EMS the ability for sufficient oversight of licensed EMS Educational Institutes to foster exceptional EMS educational training and promote the successful certification of new EMS providers
- Investigate any funding through the Department of Labor and Industry. EMTs and paramedics are on the high priority occupations list

## **Statewide Fee Schedule**

- Explore the implementation of a reasonable statewide ambulance fee schedule structure for all insurers with a mechanism to review and increase reimbursements making all ambulance services in this Commonwealth “in network” providers

## **Community Health Plans**

- Provide additional reimbursement for extra attendants as needed for patients who require additional resources for safe care. The extra attendant is needed for a residential evaluation and the safe transportation and placement of bariatric patients.

## **Insurance Reimbursement**

- Require commercial insurers to utilize HCPCS codes and pay reimbursement rates with the base level of service provided (i.e. basic life support or advanced life support) for claims related to treatment without transportation
- Investigate insurance reimbursement for paramedic intercept or a statutory mandate of bundled billing agreements for BLS/ALS joint responses with sufficient penalties if these agreements are violated to alleviate the private pay burdens of patients for advanced life support care in these situations
- Investigate the elimination of medical co-pays and/or deductibles for 911 emergency ambulance service

*The Ambulance Association of Pennsylvania (AAP) is the lead organization for the advancement of the needs of its members in the emergency and non-emergency ambulance and medical transportation industry.*

*The AAP advocates the highest quality patient care through ethical and sound business practices, advancing the interests of its members in important legislative, regulatory, educational and reimbursement issues.*

*In accomplishing this goal, the AAP is dedicated to excellence in providing superior service to all facets of its membership and in developing positive relationships with other organizations associated with the medical transportation industry through prompt communications and effective educational programs. In carrying out this mission, the AAP is committed to meet the needs of its members in the volunteer, non-profit and for-profit sector.*



## **Pennsylvania Joint Fire Service Law and Legislative Committee**

**Firefighters Association of the State of Pennsylvania**

**Pennsylvania Career Fire Chiefs Association**

**Pennsylvania Fire & Emergency Services Institute**

**Pennsylvania Professional Fire Fighters Association**

## **VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION (VFRA) REFORM**

2018's SR 6 Report provided several recommendations in regards to VFRA reform that have yet to be acted upon. A Fire Relief Formula Study is being compiled by the State Fire Advisory Board and due to the Chairs of the House and Senate Veterans Affairs and Emergency Preparedness Committee by December 31, 2023 (as per Act 104 of 2022).

All Fire Service Organizations listed above support Relief Association reform and agree that legislation that contains these changes would be helpful:

- Eliminate the requirement to have a 501 (c) corporation in place to administer the funds.
- Eliminate the "approved use lists" that specifically limit the use of Relief funds to specific equipment, equipment types, or specific purposes.
- Eliminate the different rules and allocations between career departments and volunteer departments.
- End the practice of insurers self-reporting their requirement to participate.
- Rebalance allocations: Tax receipts are currently divided among the Legislature, the pension system, and the fire service. If rebalancing is ineffective, the joint committee could be supportive of a 1% increase in tax.

Pennsylvania's Volunteer Firefighter Relief Association (VFRA) Program has provided a valuable source of funding for the protection, safety, and relief of firefighters. VFRA's are funded by a statutory disbursement of foreign fire insurance tax funds. Disbursements are made to the VFRA's local municipality who then will forward the funds to the VFRA.