

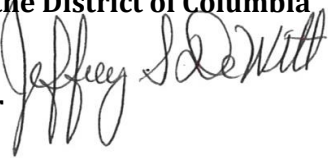
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: March 2, 2017

SUBJECT: REVISED Fiscal Impact Statement – Affordable Emergency
Transportation and Pre-Hospital Medical Services Amendment Act of
2017

REFERENCE: Draft Bill as shared with the Office of Revenue Analysis on February 2,
2017

This revised fiscal impact statement corrects an error in the calculation of new potential revenues and replaces the statement issued on February 3, 2017.

Conclusion

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill's implementation will generate \$492,000 in fiscal year 2017 and \$3.44 million over the four-year financial plan period. The District will dedicate these funds to the newly established Fire and Emergency Medical Services Department EMS Reform Fund.

Background

The bill requires a health insurer, hospital, medical service corporation, or health maintenance organization to reimburse the District for the cost of emergency ambulance and pre-hospital medical services at the rates established by the District.¹ Currently, these entities reimburse the District at their own reimbursement rates that do not cover the full amount the District billed for the services. The remaining unreimbursed portion of the bill is either paid by the patient or another insurance or payment provider, or the obligation goes unpaid. The requirement to pay at District rates applies to services provided by the District's emergency medical personnel or by a District contractor providing those services on the District's behalf.

¹ As authorized by the Revenue Act of 1978 (D.C. Law 1-124; D.C. Official Code § 5-416(a)).

The Honorable Phil Mendelson

FIS: "Affordable Emergency Transportation and Pre-Hospital Medical Services Amendment Act of 2017,"
Draft Bill as shared with the Office of Revenue Analysis on February 2, 2017

The bill establishes the Fire and Emergency Medical Services Department EMS Reform Fund to enhance the delivery of emergency medical services in the District. The Fund will collect any new revenues received as a result of this Act's implementation.

Financial Plan Impact

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The Fire and Emergency Medical Services Department currently bills patients for the ambulance fees not covered by an insurer or similar organization, but approximately 32 percent of charges still go uncollected.² The bill's implementation will result in insurers and other similar organizations paying a larger share of the cost of delivering emergency ambulance and pre-hospital medical services than they do today.³ The new Fund will capture the additional revenue generated by the bill's implementation totaling approximately \$492,000 in fiscal year 2017⁴ and \$3.44 million over the four-year financial plan period.

The revenues will be deposited into the new Fund, but the Mayor must seek budget authority in order to spend the funds.

² Historical charges are approximately \$7.8 million annually, while collections are approximately \$5.3 million annually.

³ Privately-insured patients will still be responsible for copays, deductibles, and other payments required by their insurance provider.

⁴ Assumes a half year of additional collections in fiscal year 2017. Total annual collections are expected to be \$983,000.