



2017 MAR -6 AM 9:29

OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

MAR - 6 2017

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Today, I am transmitting the "Affordable Emergency Transportation and Pre-Hospital Medical Services Amendment Act of 2017" ("Bill"). The purpose of the Bill is to amend the Access to Emergency Medical Services Act of 1998 to ensure that consumers have access to affordable pre-hospital medical care and transportation in the District of Columbia.

As a result of the restrictions on the ability of the District's Fire and Emergency Medical Services Department ("FEMS") to negotiate emergency service rates with health insurers offering health benefit plans in the District, consumers that use the services have been forced to pay the balance or difference in price from the in-network rate covered by their insurer out-of-pocket. To compound the problem, consumers are invariably not in a position to voluntarily select an emergency service provider due to the nature and circumstances of when the services are requested. To ensure affordable access and avoid adding a punitive component to these essential services, this Bill will require insurers to reimburse FEMS and its contracting providers at the rate approved by the Council. By requiring insurers to pay the Council approved rate, FEMS and their contract providers will no longer have to balance bill or pursue collections from insureds.

The Bill also creates a special purpose revenue fund that will support reform and improvement initiatives for emergency medical service delivery in the District. The fund also will support FEMS' ongoing activities related to identifying and implementing innovative methods to provide quality emergency services to District residents and visitors alike.

Accordingly, I urge the Council to act favorably and expeditiously on the proposed Bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".

Muriel Bowser

Enclosures


Chairman Phil Mendelson
at the request of the Mayor

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6 A BILL
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9 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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12 Chairman Phil Mendelson, at the request of the Mayor, introduced the following bill, which was
13 referred to the Committee on _____.
14

15 To amend the Access to Emergency Medical Services Act of 1998 to ensure that consumers have
16 access to affordable emergency pre-hospital medical care and ambulance services in the
17 District of Columbia and to create a special purpose revenue fund for the purpose of
18 reform and improvement of the delivery of Emergency Medical Services in the District of
19 Columbia.
20

21 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
22 act may be cited as the “Affordable Emergency Transportation and Pre-Hospital Medical
23 Services Amendment Act of 2017.”

24 Section 2.

25 (a) Section 3 of the Access to Emergency Medical Services Act of 1998, effective
26 September 11, 1998 (D.C. Law 12-145; D.C. Official Code § 31-2802) is amended by adding a
27 new subsection (e) to read as follows:

28 “(e) All health insurers, hospital or medical services corporations, or health maintenance
29 organizations shall provide reimbursement for emergency ambulance and pre-hospital medical
30 services delivered pursuant to D.C. Official Code § 5-401(b) at the fee rate authorized by the
31 Council pursuant to section 502 of the Revenue Act of 1978, effective April 19, 1977 (D.C. Law
32 1-124; Official Code § 5-416(a)) whether provided by the Fire and Emergency Medical Services
33 Department or any third-party vendor contracted by the District to provide such services.”

34 (b) Section 502 of the Revenue Act of 1978, effective April 19, 1977 (D.C. Law 1-124;
35 D.C. Official Code § 5-416) is amended by adding a new subsection (c) to read as follows:

36 “(c) There is established as a special, non-lapsing fund, the Fire and Emergency Medical
37 Services Department EMS Reform Fund (“Fund”), which shall be administered by the Fire and
38 Emergency Medical Services Department in accordance with this subsection.

39 (1) The following revenue shall be deposited in the fund:

40 (A) Any additional revenue that results from the enactment of section 2(a)
41 of the Affordable Emergency Transportation and Pre-Hospital Medical Services Amendment Act
42 of 2017 (D.C. Official Code § 31-2802(e)); and

43 (B) Any revenue that is in excess of the fiscal year 2016 revenue collected
44 in accordance with this section.

45 (2) The Fund shall be used for the purpose of reform and improvement of the
46 delivery of Emergency Medical Services in the District of Columbia.

47 (3) The money deposited into the Fund, and any interest earned, shall not revert to
48 the unrestricted fund balance of the General Fund of the District of Columbia at the end of any
49 fiscal year or at any other time.

50 (4) Subject to authorization in an approved budget and financial plan, any funds
51 appropriated into the Fund shall be continually available without regard to fiscal year limitation.”

52 Sec. 3. Applicability.

53 This act shall apply to all health benefit plans issued or renewed in the District ninety
54 (90) or more days after the effective date of this act.

55 Sec. 4. Fiscal impact statement.

56 The Council adopts the fiscal impact statement in the committee report as the fiscal

57 impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,
58 approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

59 Sec. 5. Effective date.

60 This act shall take effect following approval by the Mayor (or in the event of veto by the
61 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
62 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
63 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
64 Columbia Register.

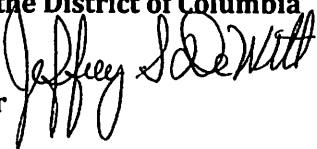
Government of the District of Columbia
Office of the Chief Financial Officer



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.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL

KARL A. RACINE
ATTORNEY GENERAL



LEGAL COUNSEL DIVISION

MEMORANDUM

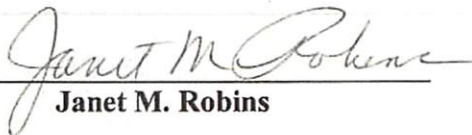
TO:

FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division

DATE: February 2, 2017

SUBJECT: Legal Sufficiency Review of Draft Legislation, the "Affordable Emergency Transportation and Pre-Hospital Medical Services Amendment Act of 2017" (AE-16-330-B)

This is to Certify that this Office has reviewed the above-referenced legislation and has found it to be legally sufficient. If you have questions regarding this certification, please do not hesitate to contact me at 724-5524.


Janet M. Robins