

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 2435

### STATE OF NEW JERSEY 221st LEGISLATURE

DATED: MARCH 15, 2024

#### SUMMARY

- Synopsis:** Revises certain requirements concerning eligibility for reimbursement from "Emergency Medical Technician Training Fund."
- Type of Impact:** Annual net impact on State expenditures; annual increase in State revenues.
- Agencies Affected:** Department of Health

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Net Cost Impact</b>	Indeterminate
<b>State Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will have an indeterminate net impact on annual State expenditures due to countervailing effects of the bill's provisions affecting the eligibility of ambulance, first aid, and rescue squads to secure reimbursement from the Emergency Medical Technician Training Fund for certain emergency medical technician (EMT) training and testing costs.
- By expanding eligibility for reimbursement from the fund to certain ambulance, first aid, and rescue squads, regardless of whether the entity charges for the provision of emergency services, the bill will increase annual State expenditures from the fund by an indeterminate amount.
- By contrast, a provision in the bill that restricts reimbursements to costs associated with training and testing volunteer EMTs, as opposed to both volunteer and paid EMTs as allowed under current law, may potentially reduce annual State expenditures from the fund. The magnitude and direction of these countervailing effects cannot be determined.
- Expenditures from the fund will potentially increase by a substantive amount, due to a provision that directs the head of a squad employing the services of an EMT, for whom initial EMT training costs were reimbursed from the fund, to determine the EMT to be a "volunteer

in good standing,” provided the EMT works as a volunteer for at least one service call per month during the EMT’s initial three-year certification period. Individuals employed by a licensed hospital as a full-time EMT, however, are not included in the bill’s definition of a volunteer EMT; as such, licensed hospitals employing these full-time EMTs are ineligible to receive fund reimbursements for these employees.

- Annual State revenues will likely increase by a marginal amount under the bill, to the extent that the head of an ambulance, first aid, and rescue squad is required to seek repayment of initial EMT training and testing costs, previously reimbursed by the fund, for an individual who ceases to be a “volunteer in good standing” during an initial three-year certification window. Any revenue increase stemming from this provision would be at least partially offset by higher costs for the Department of Health to oversee the collection of these funds by the squads.

## **BILL DESCRIPTION**

This bill revises the requirements to receive reimbursement from the Emergency Medical Technician Training Fund. Under current law, any private entity that is certified by the Department of Health to provide training and testing for ambulance, first aid, and rescue squad personnel who seek initial certification or recertification as an EMT may be reimbursed from the fund for any unreimbursed training and testing costs. Emergency medical services squads are eligible for reimbursement from the fund for eligible training and testing expenditures, provided the squad does not receive any payment for the provision of emergency medical services, regardless of whether the squad pays individual EMTs for their services.

Pursuant to the bill, emergency medical service squads are eligible for reimbursement from the fund for eligible training and testing expenditures of volunteer EMTs, regardless of whether the squad receives payment or reimbursement for the emergency services provided.

Under the bill, the head of an ambulance, first aid and rescue squad employing or utilizing the services of an EMT, for whom the initial EMT training and certification costs were reimbursed from the fund, will determine the EMT to be a “volunteer in good standing,” provided the EMT works at least one service call per month during the EMT’s initial three-year certification period as a volunteer EMT. However, the bill precludes an individual, who is employed by a licensed hospital as a full-time EMT, from being determined to be a volunteer EMT for purposes of reimbursement from the fund.

The head of the ambulance, first aid and rescue squad, additionally, will seek repayment of initial EMT training and testing costs, previously reimbursed by the fund, for an individual who ceases to be a “volunteer in good standing” during an initial three-year certification window. The bill also directs the Department of Health to oversee the collection of these funds by squads.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

**OFFICE OF LEGISLATIVE SERVICES**

The OLS concludes that the bill will have an indeterminate net impact on annual State expenditures due to the countervailing effects of the bill's provisions affecting the eligibility of ambulance, first aid, and rescue squads to secure reimbursement from the Emergency Medical Technician Training Fund for certain unreimbursed EMT training and testing costs. Currently, an emergency medical services squad is eligible for \$1,500 in reimbursement from the fund for unreimbursed costs incurred for initial and recertification training and testing for each volunteer and paid EMT, provided the squad does not charge a fee for the provision of emergency medical services. By contrast, a provision in the bill that restricts reimbursements to costs associated with training and testing volunteer EMTs, as opposed to both volunteer and paid EMTs as allowed under current law, may potentially reduce annual State expenditures from the fund. The magnitude and direction of these countervailing effects cannot be determined.

By expanding eligibility for reimbursement from the fund for eligible expenditures to all squads, regardless of whether the squad charges for the provision of basic emergency services, the bill potentially increases annual State expenditures from the fund by an indeterminate amount. In April 2023, the Department of Health's website listed 249 emergency medical services squads that are currently eligible for reimbursement from the fund; by contrast, the list included 397 squads in October 2021.

The bill directs that the head of a squad employing the services of an EMT, who received initial EMT training for which costs were reimbursed from the fund, will determine the EMT to be a "volunteer in good standing," provided the EMT works as a volunteer for a minimum of one service call per month during the EMT's initial three-year certification period. EMTs employed by a licensed hospital on a full-time basis, however, are ineligible for volunteer status under the bill. The OLS concludes that these provision will potentially increase expenditures from the fund by a substantive amount, since the majority of EMT candidates will likely respond to this provision by volunteering for one service call per month during their initial three-year certification period, in order to have their initial training and testing costs reimbursed from the fund. Additionally, the heads of ambulance, first aid, and rescue squads will be motivated to require newly-certified EMTs to meet the requirements in order to be deemed a "volunteer in good standing," since squads frequently provide upfront training and testing services to new EMTs, who are eligible to have their training reimbursed through the fund, at no cost, and subsequently submit reimbursement claims to the fund.

Due to the lack of publicly available data on the number of volunteer versus paid EMTs in the State, the number of EMTs employed on a full-time basis by a licensed hospital, and the number of squads that receive payment for the provision of emergency medical services versus those that do not, the OLS cannot quantify the fiscal impact of these two countervailing provisions in the bill.

Annual State revenues will likely increase by a marginal amount under the bill, to the extent that the head of an ambulance, first aid, and rescue squad is required to seek repayment of initial EMT training and testing costs, previously reimbursed by the fund, for an individual who ceases to be a "volunteer in good standing" during an initial three-year certification window. The bill additionally directs the Department of Health to oversee the collection of these funds by squads. Any revenue increase stemming from this provision would be at least partially offset by higher departmental administrative costs incurred to monitor the recoupment of fund monies from these former volunteer EMTs.

The EMT Training Fund is a nonlapsing revolving fund that reimburses emergency medical services squads for the unreimbursed costs associated with the initial and refresher training and testing for EMTs. The fund is the repository for a \$1 surcharge added to fines, penalties, and

forfeitures for violations of certain statutes regulating motor vehicles and their operation. Fund revenues totaled \$2.1 million in FY 2019, \$1.6 million in FY 2020, \$1.1 million in FY 2021, and \$1.4 million in FY 2022, compared with expenditures of \$628,000, \$950,000, \$1.3 million, and \$619,000, respectively.

In FY 2023, the fund has reimbursed squads \$149,938.82 for unreimbursed training and testing costs, as of December 2023; for FY 2024, to date, fund expenditures have totaled \$51,910. The total fund balance was \$5.8 million at the end of FY 2022, compared with a fund balance of \$5.1 million at the end of FY 2021. Total fund balances are anticipated to be \$5.9 million at the end of FY 2023, and are projected to slightly grow to \$6.0 million by the end of FY 2024.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).