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Second Quarter 2019

Ambulance Companies Facing Crisis of Their Own

Volunteer fire companies are on the verge of extinction, and now Pennsylvania is facing another public safety crisis.

This one involves emergency medical service agencies, whose numbers have shrunk dramatically from 2,000 in the late '80s and early '90s to between 900 and 1,000 today.

As volunteers dwindle, paid personnel become harder to come by, and insurance reimbursements only partially cover expenses, the EMS crisis has reached a tipping point in many communities.

"The reality is that ambulance services are experiencing a severe financial crisis," says Stephen Bobella Jr., the executive director of both the Northern Berks EMS and the Elverson-Honey Brook Area EMS, which serve municipalities in Berks, Chester, and Lancaster counties.

For decades, ambulance services thrived in Pennsylvania. However, as volunteers dwindle, paid personnel become harder to come by, and insurance reimbursements only partially cover expenses, the EMS crisis is reaching a tipping point in many communities.

A manpower shortage

Circumstances, however, have not always been so dire.

For decades, ambulance services thrived. Buoyed by low operating expenses and more than equitable reimbursements from patients' insurance companies, many organizations had built a nest egg of savings.

"We had in the ballpark of a million dollars socked away at one time," David Braucht, president of the Penns Valley EMS Board of Directors in Centre County, says.

He calls it the "golden age of reimbursement," when insurance checks covered expenses.

"When EMS started, it was about neighbors

helping neighbors," Scott Rhoat, chief of Bellefonte EMS and the president of the Centre County Ambulance Association, says. "It's almost impossible today for volunteers only to run an EMS system."

Following passage of Pennsylvania's first EMS law in 1985, emergency services became more regulated, and many agencies started the shift from volunteer to paid personnel who could better provide round-the-clock EMS coverage. Around this time, agencies also began to separate from their volunteer fire companies to become independent organizations.

"Many years ago, we were viewed as strictly a transport service," Bobella says. "Today, we are a health care provider."

With well-equipped ambulances and highly trained staff, today's EMS providers take the emergency room out to the community and into living rooms. However, better care brings higher expenses, and the consequences of this shift in services — from volunteer to paid staff, from transport only to advanced health care — have taken a financial toll on EMS operations.

For starters, the equipment needed to deliver basic and advanced life support is expensive. Paying for a career staff also greatly increases EMS budgets. Salaries, however, for first responders remain low, making it difficult to attract candidates to the job.

The increased level of training requirements can be a deterrent, too. To become an EMT takes 200 hours and costs upwards of $1,000. The training for a paramedic is even more intense, requiring a multi-year and multi-thousand-dollar investment in time and money.

"When an EMT starts at $9.50 an hour and is making maybe $18,000 a year, it's hard to convince people to go into this career," Rhoat says.

In rural areas, where the population pool is smaller, paramedics and EMTs are even harder to find, yet these units' life-saving services are especially essential in a region where trauma and critical-care centers are hours away.

Not keeping pace

Saving lives is the goal of EMS providers so when a 9-1-1 call comes in, they respond first and deal with money issues later.

"EMS is the best example of socialized medicine, where we are required to respond and transport and can't refuse service," Rhoat says, "and those who can pay make up for those who can't."

While the scope of emergency medical services has evolved over time, the system that finances it has been slow to change. In a recent victory, however, the state increased the reimbursement of ambulance transportation for Medicaid patients for the first time in 14 years.

In January, the Medicaid reimbursement rose from $120 to $180 per loaded trip for basic life support transport and from $200 to $300 per loaded trip for advanced life support. The act also allows for a $2 charge per mile for loaded trips in excess of 20 miles.

A 2018 law made another important change by requiring health insurance plans to pay all reasonably necessary costs associated with ambulance services, even if the victim is not transported. Previously, insurance carriers could refuse to reimburse an ambulance company that provided medical service to a patient but didn't transport the person to the hospital.

Private insurance has also become problematic for ambulance companies since the Affordable Care Act, which ushered in high-deductible, high-copay insurance plans. These make it more challenging for EMS companies to collect from patients, particularly if the EMS is an out-of-network provider.

In these cases, the insurance company will send the reimbursement check to the insured individual, who should then turn it over to the ambulance company. Unfortunately, some individuals simply cash these checks and rebuff ambulance companies attempts to recoup reimbursement, which only exacerbates the problem.

Seeking solutions

With reimbursements below cost for all payers, agencies must raise the remaining funds through municipal contributions, membership programs, donations, fundraisers, and grants.

And there's another challenge: EMS has been self-sufficient for so long that communities simply take their emergency services for granted. "For 30 years, EMS had been delivered to the valley for nothing," Braucht of Penns Valley says.

Those days are over, EMS officials say, and solutions must come soon through community involvement, local government support, and legislative action.

Chuck Cressley of Jefferson County EMS understands how the challenges facing EMS right now can feel overwhelming.

"We're not giving up," he says. "If we don't work through this, then essentially, we would have to go back to a time when the local funeral director provided emergency transport in a community, and that is untenable."

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