



Critical Condition:

The EMS Crisis in Pittsburgh and its Neighboring Communities

A Report by the Office of the Pittsburgh City Controller

Submitted to the Congress of Neighboring Communities (CONNECT)

June 18, 2010

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Acknowledgement

This report would not have been possible without the diligent efforts of the students and staff GSPIA and the staff at CONNECT including Dr. David Miller, Ms. Kathy Risko and Ms. Jenny DeAngelis and City Controller Research Assistant, Ron Ieraci.

The Congress of Neighboring Communities (CONNECT) is an organization that provides a vehicle to coordinate the activities of the City of Pittsburgh and the 35 municipalities that share its border.

The mission of CONNECT includes advocating for the interests of the urban core of our region, enhancing the ability of the 36 communities to work together to improve service delivery and developing new ways to maximize economic prosperity for the region.

It represents a population of 738,822 Allegheny County residents. The CONNECT region is served by 17 EMS organizations of the 49 that exist within the County.

Executive Summary

The Emergency Medical Service (EMS) has been saving lives in Pittsburgh and Allegheny County for the past forty years, from the days of Freedom House Ambulances in the late sixties to the founding of Pittsburgh's EMS in 1975, the evolution of MRTSA out of the Mount Lebanon Police Department in 1976 and the Ross/West View EMS beginnings in 1978.

Once the purview of out-dated police vehicles and hearses, today's EMS unit is loaded with life-saving tools and medicines, administered by highly trained and qualified paramedics.

Back in its beginning days, the staff was composed of volunteers, and insurance money kept the system flush in revenues. But times have changed.

The population of Pittsburgh and its neighboring communities has aged and so has the volunteer base. Insurance compensation is based on the Medicare reimbursement and barely covers half the cost of an ambulance trip. Subscription rates to support local EMS providers hovers around the 25% mark, and, outside the City, few municipalities provide any sort of dependable financial support. Within the CONNECT communities, every EMS provider has felt the pinch of funding shortfalls.

This funding shortage also carries over to Allegheny County who provides 911 services to all of the CONNECT communities. County 911 is funded by a surcharge on phone bills for all landlines in Allegheny County. As the use of cell phones has increased, the resulting drop in landline usage has made the county surcharge a shrinking source of revenue. In each of the past three years, county 911 has operated at a deficit in the range of \$2 million.

Additionally, the jobs of paramedics and EMTs have grown increasingly complex requiring higher levels of staffing, training and education. An EMS workforce trained to handle the complexities of the typical health emergency of today and of adequate size to handle current call volumes, requires a significant financial commitment.

The EMS is in critical condition, and needs an infusion of dedicated revenues and a new set of rigorous minimum standards to regain its health and continue serving the City and its surrounding communities.

This report briefly covers the EMS story, and hopefully provides a vehicle to help our EMS providers keep their heads above water. I've borrowed a page from the Regional

Asset District's funding of the Allegheny County Library Association, which in turns sets some standards for the individual libraries to meet before getting their piece of the pie.

This plan is to have non-profits and foundations fund an annual grant pot that will be administered by the Allegheny County Department of Emergency Management and distributed to the EMS providers that meet certain benchmarks set by the EMS community itself. We also suggest new funding to help Allegheny County meet its shortfall for 911.

Another component is to have the communities step up, too, and guarantee a certain amount of funding for its paramedic services.

The combination of guaranteed community support, additional funding by local non-profit/foundation groups, and mandatory standards for performance and professionalism make the plan a winner for the EMS providers and the municipalities they serve.

Sincerely,

Michael E. Lamb
City Controller

EMS History

Emergency Medical Services (EMS) is the third arm of Public Safety, standing alongside local Police and Fire Departments. The service provides pre-hospital medical treatment and transportation to an emergency room for patients that require further care.

In 1966, the Federal Highway Safety Act established guidelines for state highway safety programs. EMS standards were included in the bill, including personnel training, equipment, communications, and planning at state and local levels, professionalizing the field.

Before that, emergency medical care was virtually non-existent and unregulated. Hospital transport was provided by a motley variety of vehicles, from old police and fire vehicles to hearses. The only treatment would be if a policeman or passer-by knew first aid.

The Vietnam War and its medic corps set a new standard for emergency medical care, especially for trauma victims, and provided an already-trained cadre of combat-tested medics.

One of the nation's first true EMS providers, Freedom House Ambulance Service, began in Pittsburgh in 1967 with medically trained paramedics providing pre-hospital treatment, care, and transport for accident victims, mainly from the Hill District and Oakland to Presbyterian Hospital's emergency room.

In the early 1970s municipalities, counties, and states began to develop programs in response to federal funding for EMS systems. The funding was discontinued by Congress in 1982, when it passed off EMS regulatory powers - and costs - to the state and local governments.

Pittsburgh began its EMS service in 1975. At one time, Allegheny County had 130 different EMS organizations. The current number is 49, with 17 servicing CONNECT communities.

Most local EMS services profile as a non-profit organization staffed with a combination of professional/volunteer staff and attached to a volunteer fire department. There are several variations of the theme, though, such as Pittsburgh's budgeted EMS Bureau, authorities, regional services, and for-profit ambulance companies.

Allegheny County EMS providers operate using a tiered ambulance system (first response followed by ALS), which requires fewer paramedics and helps controls costs.

Local Strengths

- The EMS stations are often located alongside fire houses, and are already positioned to respond to a call quickly.
- Many firefighters are also certified as First Responders/Emergency Medical Technicians (EMT), so they can fill a first responder role.
- Allegheny County EMS providers use the cost-effective tiered response system
- The region has in place several heavy rescue units, along with river rescue capabilities, air medical evacuation (medivac), and hazardous waste (hazmat) teams for emergency situations.
- Dispatching is largely centralized by Allegheny County 911, which is converting to Computer-Assisted Dispatching (CAD) to allow more critical information to reach the responder.
- There are overlapping mutual aid agreements to cover overload events.
- EMS coordination and issues flow through county, regional, and state EMS support groups, and training is readily available through the Center for Emergency Medicine and the Community College of Allegheny County.

Local Challenges

- With the exception of a handful of municipally supported EMS, most services get their funding from a combination of subscriptions, small fund-raising activities, sporadic municipal support (often in-kind) and grants available to non-profit organizations, along with client and third party billing.
- Subscriptions, grants, fund raising, and municipal support are undependable funding sources. Subscription rates within the CONNECT region vary from 15% in Sharpsburg and Etna to 62-64% in Fox Chapel according to the April 29, 2010 independent report "CONNECT and EMS" by Jenny deAngelis of the University of Pittsburgh's Graduate School of Public and International Affairs (GSPIA).
- Billing is the major revenue source for EMS. Medicare reimbursements are used as the basis for private insurance payments, and the rates are low in relation to the actual cost of service. Also, Medicare patients cannot be charged any additional EMS fees regardless of the treatment the patient required en route to the hospital. It's common to be reimbursed at half the cost or less than was billed by the EMS provider.

- Collection problems with uninsured/unsubscribed patients are common. Private insurers, as a matter of policy, send ambulance co-pays to the users rather than the provider, and it's often lost to the EMS service. Both proposed legislation (HB 160, "The Emergency Service Organization Direct Reimbursement Act," which would direct an insurer to make payment of an approved claim directly to the provider) and a lawsuit are underway to address this situation.
- Staffing once was largely dependent on volunteers in most suburban EMS organizations. But volunteerism has plummeted since the eighties because of an aging county population, two-income families, and the demanding training required for certification.
- The volunteer shortage requires the hiring of professional staff. The average salary is \$21,300 - \$33,840 for EMT/Paramedics without benefits (2008 State Department of Labor report "PA Wages – Allegheny County Market"), a large burden for organizations that were once entirely volunteer-based.
- The required training for certification puts paramedics on track for a nurses' degree. With some additional training, EMS qualification can lead to nursing certification and a bigger salary.
- There's a large amount of "down", or unbilled, time when EMS units are staffed and available but unused. The system may have more units on call than necessary for the workload or may have units sited poorly or redundantly, wasting resources.

Allegheny County 911

Allegheny County completed its 911 system in 1999. At that time, six regional call centers and several municipal ring-down systems remained in place under the consolidated county 911. By 2006, the regional centers were history and county's 911 dispatch center in the city's Point Breeze neighborhood was a truly consolidated system handling most 911 calls in Allegheny County.

Funding for this system was originally established by the Pennsylvania legislature as a monthly fee levied on all landline phone bills. But, as an increasing number of county residents dropped their landlines to use only cell phones, the county 911 center began to operate at a deficit.

In both 2008 and 2009 the county 911 center operated at deficits approaching \$2 million.

The Coming Crisis

As a result of these and other factors, many EMS organizations and County 911 are operating at a fiscal deficit, threatening the future of EMS in the CONNECT region and Allegheny County. (See Table #2 on page eleven).

The City Controller's General Ledger Reports show that the largest EMS provider in the county, Pittsburgh's EMS Bureau, brought in \$9,980,570 in 2008 but cost \$12,078,410. Penn Hills 2008 EMS expenses were \$1,022,227 while revenues were \$949,881. These numbers represent operating deficits only; the figures don't include capital expenses for vehicles, buildings, etc.

Of the seventeen EMS organizations serving the CONNECT region, eight were self-sustaining financially (including for-profit Northwest EMS), and nine of the organizations showed a deficit in 2008.

The sixteen non-profit and municipal CONNECT EMS organizations (not including Northwest EMS) ran a \$2,657,753 deficit in 2008, according to their 990 forms and budget documents.

Thirteen of the organizations still used volunteers, but they have largely been replaced by a mix of full and part time EMT personnel. The CONNECT EMS roster includes approximately 680 paid staff (full & part time) and 215 volunteers. Foxwall EMS and Ingram EMS are the only CONNECT services with more volunteer than paid personnel.

EMS is facing a future of rapidly rising personnel costs and diminishing compensation for their service. The situation could literally become a matter of life or death.

A Plan For The Future

The CONNECT EMS providers, communities, and Allegheny County should band together to help attract and distribute a dependable revenue stream and promote improved professional and business practices, under the administration of the Allegheny County Division of Emergency Medical Services. This both taps into an existing EMS organization, and leaves room for the expansion of the plan beyond CONNECT and throughout Allegheny County.

The funding source for this organization will be the non-profit and foundation communities; not just the hospitals, which benefit from a first-class EMS system, but also the universities and other major organizations that call upon EMS services daily to respond to their emergencies.

The goal is to have the non-profits contribute an amount to be determined, per head, annually. This would fund a grant pool for the CONNECT communities but could be

expanded county-wide. Based on 2009 estimated census numbers, a county wide fund would raise \$1,218,494 for each dollar committed per head.

The framework for this organization and the donation formula would be determined by the partners. The Allegheny County Library Association could be the model on which to base the group. It receives funding from the Regional Asset District and distributes among the individual library systems after they meet certain standards.

In this case, the non-profits would create a fund administered by Allegheny County's EMS division or a separate non-profit organization, which would distribute the grants by formula after certain standards have been satisfied.

This would require the buy-in and support of the municipalities. They would be required to match the non-profits' funding, per capita, which would be provided directly to their neighborhood EMS service rather than the grant fund. (See Table #2 on page eleven).

The municipalities would receive credit for any funding, direct and indirect, raised within the community – subscriptions, donations, fundraisers, taxes, provision of services, – but would have to guarantee per capita support of their EMS provider. This is to both guarantee the EMS provider with a predictable income source and to ensure that the community has some ownership of its EMS service.

Finally, the EMS providers would have to apply and meet certain standards to qualify for the grants, based on criteria such as service area, staff certifications and training, response time, staffing levels, etc., as determined by the EMS community.

The funding pool would be split three ways. 80% would be divided among the qualifying EMS providers for operations.

The population served and the number of emergency call responses are the most widely accepted and least complicated data available to determine a formula for fund distribution. If other criteria need to be considered, the EMS community will provide the necessary input.

10% would go for a funding pool to help support any projects that improve training, or efforts of coordination, cooperation, and/or sharing of services among EMS providers. It would also provide assistance to communities that seek to consolidate their services.

The awards will be triggered by application to the funding administrator, who will determine a procedure to determine the award process.

The final 10% would be dedicated to the County to offset its funding shortage for county-wide 911 services.

Conclusion

Our Emergency Medical Service is a critical service to the health and safety of our citizens and it is in critical condition. Through the pursuit of new partnerships with Allegheny County and our non-profit organizations, and the commitment of our municipalities and EMS providers, this service can not only survive but thrive with higher levels of training and certification, and without the constant threat of budgetary shortfalls.

TABLE #1 – EMS Financial Reports (2008)

<i>EMS PROVIDER</i>	<i>REVENUE</i>	<i>COSTS</i>	<i>NET</i>	<i>REVENUE PER HEAD</i>	<i>COST PER HEAD</i>
Baldwin EMS	\$2,504,131	\$1,988,558	\$515,573	\$88.19	\$70.03
Brentwood EMS	\$542,365	\$630,179	(\$87,814)	\$51.82	\$60.21
City of Pittsburgh EMS Bureau (muni)	\$9,980,570	\$12,078,410	(\$2,097,840)	\$29.48	\$35.68
Eastern Area Prehospital Services	\$1,956,561	\$1,914,262	\$42,299	\$43.06	\$42.13
Foxwall EMS	\$399,471	\$364,410	\$35,061	\$40.16	\$36.64
Ingram Comm. Ambulance	\$101,022	\$69,628	\$31,394	\$27.21	\$18.76
Medical Rescue Team South Authority	\$3,568,976	\$3,857,903	(\$288,927)	\$49.37	\$53.37
Munhall Area Prehospital Services	\$1,079,356	\$1,053,021	\$26,335	\$59.86	\$58.40
Northwest EMS (for profit)	N/A	N/A	N/A	N/A	N/A
Parkview VFC	\$551,315	\$586,649	(\$35,334)	\$62.25	\$66.24
Penn Hills EMS (muni)	\$949,881	\$1,022,227	(\$72,346)		
Prism Health Services	\$1,121,363	\$1,452,191	(\$330,828)	\$47.11	\$61.01
Robinson EMS	\$1,026,683	\$1,088,488	(\$61,805)	\$77.66	\$82.33
Ross/West View EMS	\$2,453,034	\$2,722,957	(\$269,923)	\$48.29	\$53.60
Scott Township EMS	\$828,063	\$818,258	\$9,805	\$47.90	\$47.33
Seneca Area EMS	\$726,959	\$689,597	\$37,362	\$50.74	\$48.13
Shaler Area EMS	\$896,894	\$1,007,659	(\$110,765)	\$30.14	\$33.86
TOTALS	\$28,686,644	\$31,344,397	(\$2,657,753)	\$38.54	\$42.11
<i>All financial data from 990 IRS 990 Form/Budget Documents (Pgh. & Penn Hills)</i>					
<i>Calculations do not include Northwest EMS data, which was unavailable</i>					

TABLE #2 - Community/Government EMS Support (2008)

EMS PROVIDER	CONNECT COMMUNITY	CONNECT CENSUS	OTHER CENSUS	TOTAL CENSUS	2008 MUNI SUPPORT	2008 MUNI PER CAPITA
Baldwin EMS	Baldwin Borough	19,999	8,397	28,396	\$ 423,689	\$ 14.92
Brentwood EMS	Brentwood	10,466	0	10,466	\$ 70,620	\$ 6.75
City of Pittsburgh EMS Bureau (muni)	Mt. Oliver Pittsburgh Total	3,970 334,563 338,533	0	338,533	\$ 12,078,410	\$ 35.68
Eastern Area Prehospital Services	Edgewood Swissvale Wilkinsburg Total	3,311 9,653 19,196 32,160	13,280	45,440	\$ 108,422	\$ 2.39
Foxwall EMS	Aspinwall Fox Chapel Total	2,960 5,436 8,396	1,550	9,946	\$ 194,115	\$ 19.52
Ingram Comm. Ambulance	Ingram	3,712	0	3,712	\$ 24,015	\$ 6.47
Medical Rescue Team South Authority	Baldwin Township Castle Shannon Dormont Green Tree Mt. Lebanon Whitehall Total	2,244 8,556 9,305 4,719 33,017 14,444 72,285	0	72,285	\$ 490,180	\$ 6.78
Munhall Area Prehospital Services	Homestead Munhall West Homestead Total	3,569 12,264 2,197 18,030	0	18,030	\$ 81,910	\$ 4.54
Northwest EMS (for-profit)	Bellvue Kennedy McKees Rocks Stowe Crafton Total	8,770 7,504 6,622 6,706 6,706 36,308	27,010	63,318	N/A	N/A
Parkview VFD (fire/EMS)	O'Hara	8,856	0	8,856	\$ 137,261	\$ 15.50
Penn Hills EMS (muni)	Penn Hills	46,809	0	46,809	\$ 1,022,227	\$ 21.84
Prism Health Services	West Mifflin	22,464	1,338	23,802	\$ 157,744	\$ 6.63
Robinson EMS	Robinson Rosslyn Farms Total	12,289 464 12,753	468	13,221	\$ 5,000	\$ 0.38
Ross/West View EMS	Millvale Reserve Ross Total	4,028 3,856 32,551 40,435	10,363	50,798	\$ 432,810	\$ 8.52
Scott Township EMS	Scott	17,288		17,288	\$ -	\$ -
Seneca Area EMS	Etna Sharpsburg Total	3,924 3,594 7,518	6,809	14,327	\$ 70,259	\$ 4.90
Shaler Area EMS	Shaler	29,757		29,757	\$ 235,489	\$ 7.91
TOTALS		738,522	69,215	807,737	\$ 15,533,951	\$ 19.23
<i>All financial data from IRS 990 Form/Budget Documents (Pgh. & Penn Hills)</i>						
<i>* Municipal per capita total calculated without Northwest's census</i>						

Sources Examined

“Connect and EMS” report of April 29, 2010 (independent study by Jenny deAngelis)

“EMS Agenda for the Future” report of 2009 (National Highway Traffic Safety Administration)

Pennsylvania Act 37 of 2009 “Amending Titles 35 (Health and Safety) and 75 (Vehicles) of the Pennsylvania Consolidated Statutes, regulating emergency medical services systems.”

Pennsylvania House Bill 160 “The Emergency Service Organization Direct Reimbursement Act.”

“Bureau of Emergency Medical Services” Performance Audit of June, 2008 (City Controller’s Office, Anabell Kinney, manager)

“Administration and Response” report of April, 2008 (Tri Data Systems)

“Funding Alternatives for Fire and Emergency Services” report of 1999 (Federal Emergency Management Agency)

“EMERGENCY MEDICAL SERVICES: Revenue Recovery” report of 1997 (International Association of Fire Fighters)