



SUPPORT HOUSE BILL (HB99)

Emergency Medical Services Surtax

Emergency Medical System (EMS) Legacy Act

NM's EMS and Trauma System: A Critical and Far Too Fragile, Safety Net



New Mexico EMS and Trauma Viability Committee

Don McNutt, Chairman, Statewide EMS
Pete Bellows, Vice-Chairman, Statewide EMS
Jim Stover, EMS Director, Lincoln County

John Udell, President, EMS Region I
Tim Zaqorski, Executive Director, Region II
Jan Elliott, Executive Director, EMS Region III

Dale Kester, MD, Chairman, NM Trauma Fund
Jeff Dye, President and CEO, NM Hospital Association
Michael G. Miller, Mayor Pro Tem, City of Portales

Craig Rhyne, MD, Regional Medical Director
Phil Froman, MD, Regional Medical Director
Walter Simmons, MD, Regional Medical Director

This bill would create dedicated funding for the Emergency Medical Services (EMS) Fund, Trauma System Fund, EMS Regional Offices, Trauma Registry Program, and Injury Prevention through an emergency medical services insurance premium surtax on various insurance policies, appropriating the funds to the Department of Health. This legislation will **FREE-UP NEARLY \$9 MILLION DOLLARS CURRENTLY APPROPRIATED FROM THE GENERAL FUND FOR THE EMS FUND AND THE TRAUMA FUND** to be utilized for other legislative priorities.

Current Challenge Well Documented:

- * In **2005, House Memorial 20** created a Trauma Task Force that described the crisis in trauma care that led to the passage of the Trauma System Fund Act with initial funding of up to \$5.5 million annually as a down payment on a \$30 million crisis.
- * In **2007, House Memorial 20** created a similar EMS Task Force which clearly described the problems in EMS: manpower recruitment, training and retention; increasing costs and demands for service; and the inadequate funding streams that compromise quality and limit future growth. Worst of all, reduced reimbursements in many areas even basic services are being compromised or lost.
- * The medical rescue/first response agencies, ambulance services, trauma centers, and the supporting state and regional offices find themselves severely stretched, in both personnel and funding. From trying to **"do more with less," the New Mexico EMS system now is in the unenviable position of having to "do less with less,"** at a time when its role as the health care safety net for many New Mexicans is growing.

Assuring the Future: The Emergency Medical System Legacy Act

- * **Requiring a fee on all homeowners, commercial property, private passenger automobile, and commercial automobile insurance policies** in New Mexico to **generate an estimated \$16.9 million** that will be dedicated to insuring the viability of EMS and Trauma Services and Systems in our state and thus ensure that all 9-1-1 callers receive prompt and high quality care in their time of need and crisis. **Volunteer EMS agencies are dangerously under-funded.**
- * **Estimated \$8.7 million (51.5%) for NM EMS Program with allocations as follows:**
 - ✓ 61% to support local emergency medical service funding program
 - ✓ 18% for emergency medical services system improvement projects
 - ✓ 17% to support contracts with nonprofit emergency medical services offices
 - ✓ 4% to DOH/ERD/EMS for administrative costs
- * **Estimated \$8.2 million (48.5%) for NM Trauma Program: The Trauma Systems Fund will be allocated 89% to support existing and developing trauma center hospitals, and DOH/ERD/EMS will be allocated 11% for administrative costs, monitoring, trauma system development, technical assistance, trauma registry data system and injury prevention programs.**
- * **Endorsements:** Legislative Health and Human Services Interim Committee, Public Regulation Commission, New Mexico Association of Counties, New Mexico Municipal League, New Mexico Public Health Association Board of Directors, New Mexico Hospital Association, New Mexico Fire Chiefs Association, Statewide EMS Advisory, EMS Region I Board of Directors, Region II EMS Board of Directors, EMS Region III Board of Directors



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Quick Facts

- * The EMS and Trauma System is the only health care program that is universally available to all of NM's residents and visitors, regardless of ability to pay. It is rapidly accessed through a single call-in number (9-1-1) "24/7" throughout urban, rural, and frontier New Mexico. In many rural/frontier areas EMS is the only health care available and it is relied upon as a primary access point to the health care system.
- * The system is comprised of more than 8,198 licensed 1st Responders/EMTs who serve on about 451 medical/rescue and ambulance services, 19 air ambulances, and 70 public dispatch agencies that respond to more than 400,000 calls for help each year. They treat and transport patients to clinics and hospitals, of which 7 are formally designated as Trauma Centers providing the highest levels of specialized emergency care, immediately available surgical intervention, and rehabilitation.
- * 80% of the EMS personnel and 55% of the EMS agencies are community volunteers who must train extensively to obtain and maintain their licensure, who respond from their workplaces and homes at a moment's notice to meet the needs of a neighbor or a stranger facing a crisis. They frequently must pay out of pocket to cover training and equipment costs. The other 20% are salaried EMS caregivers who work for larger fire departments or public/private ambulance services with increasing call volumes and salaries that are not competitive with other health care professionals.
- * EMS services and designated Trauma Centers form a critical safety net that has been actively supported by local communities, municipalities, counties, and the state for almost 40 years. The NM Legislature has enacted a number of important laws to regulate, oversee, support and partially fund this system through the EMS Act, the EMS Fund Act, and the Trauma System Fund Act. For FY 10 about \$3.9 million is appropriated to support 451 EMS caregivers and \$4.1 million (down from \$5.5 million) will support the designated trauma hospitals and the system. This support is greatly appreciated, but it is not adequate to maintain these critical services.
- * Many believe that EMS is synonymous with fire protection. However, these two public safety responsibilities are funded separately. In 2006, New Mexico fire departments received a total of 77,185 requests for service. Of these 4,695 or 6.1%, were for fires. Conversely, 57,030 or 73.9% were requests for EMS. However, the State Fire Marshal's average distribution to fire departments was \$80,801, while the average distribution from the EMS Fund Act to EMS agencies was \$9,482. Although many EMS agencies are a part of their fire departments, State Fire Funds are not allowed to be used for EMS activities. EMS response is requested twelve times as often as fire, but fire protection on an average receives over eight (8) times the funding of EMS.



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Estimated Emergency Services Surtax Generated by the Revised Version of HB99

Incorporates Projected Growth in Premiums

		Calendar Year 2008:	Homeowners	Private Passenger Auto Liability	Private Passenger Auto Physical Damage	Commercial Auto Liability	Commercial Auto Physical Damage	Commercial Multi-Peril (property portion)	Fire	Allied Lines	Total Premiums	
			349,200,112	643,834,926	431,270,024	122,054,053	44,935,377	110,562,337	26,204,577	27,036,500	1,755,097,906	
FY	Emergency Services Surtax Rate	Projected Annual Premium Growth Rate										Projected Emergency Services Surtax
			7.1%	2.8%	3.0%	0.3%	-1.9%	4.1%	3.6%	1.8%		
2011	0.885%		414,522,445	689,854,210	464,346,669	122,971,519	42,831,266	122,245,824	28,627,046	28,269,616	1,913,668,595	16,935,967
2012	0.885%		443,953,539	709,170,128	478,277,069	123,340,434	42,017,472	127,257,903	29,657,620	28,778,469	1,982,452,634	17,544,706
2013	0.885%		475,474,240	729,026,892	492,625,381	123,710,455	41,219,140	132,475,477	30,725,294	29,296,481	2,054,553,360	18,182,797
2014	0.885%		509,232,911	749,439,645	507,404,142	124,081,586	40,435,976	137,906,972	31,831,405	29,823,818	2,130,156,455	18,851,885
2015	0.885%		545,388,448	770,423,955	522,626,266	124,453,831	39,667,692	143,561,158	32,977,336	30,360,647	2,209,459,333	19,553,715
2016	0.885%		584,111,028	791,995,826	538,305,054	124,827,192	38,914,006	149,447,165	34,164,520	30,907,139	2,292,671,930	20,290,147
2017	1.135%		625,582,911	814,171,709	554,454,206	125,201,674	38,174,640	155,574,499	35,394,443	31,463,468	2,380,017,550	27,013,199
2018	1.135%		669,999,298	836,968,517	571,087,832	125,577,279	37,449,322	161,953,053	36,668,643	32,029,810	2,471,733,754	28,054,178
2019	1.135%		717,569,248	860,403,635	588,220,467	125,954,011	36,737,785	168,593,128	37,988,714	32,606,347	2,568,073,335	29,147,632
2020	1.135%		768,516,665	884,494,937	605,867,081	126,331,873	36,039,767	175,505,446	39,356,308	33,193,261	2,669,305,338	30,296,616
2021	1.135%		823,081,348	909,260,795	624,043,093	126,710,869	35,355,011	182,701,169	40,773,135	33,790,740	2,775,716,160	31,504,378
2022	1.135%		881,520,124	934,720,097	642,764,386	127,091,002	34,683,266	190,191,917	42,240,968	34,398,973	2,887,610,733	32,774,382
2023	1.385%		944,108,053	960,892,260	662,047,318	127,472,275	34,024,284	197,989,786	43,761,643	35,018,155	3,005,313,774	41,623,596
2024	1.385%		1,011,139,725	987,797,243	681,908,738	127,854,692	33,377,823	206,107,367	45,337,062	35,648,482	3,129,171,132	43,339,020
2025	1.385%		1,082,930,645	1,015,455,566	702,366,000	128,238,256	32,743,644	214,557,769	46,969,196	36,290,155	3,259,551,231	45,144,785
2026	1.385%		1,159,818,721	1,043,888,322	723,436,980	128,622,971	32,121,515	223,354,638	48,660,087	36,943,378	3,396,846,612	47,046,326
2027	1.385%		1,242,165,850	1,073,117,195	745,140,089	129,008,840	31,511,206	232,512,178	50,411,850	37,608,359	3,541,475,567	49,049,437
2028	1.385%		1,330,359,625	1,103,164,476	767,494,292	129,395,867	30,912,493	242,045,177	52,226,677	38,285,309	3,693,883,916	51,160,292
2029	1.635%		1,424,815,158	1,134,053,081	790,519,121	129,784,055	30,325,156	251,969,029	54,106,837	38,974,445	3,854,546,882	63,021,842

Note: Analysis produced by Alan Seeley of the PRC Insurance Division. No warranties can be made regarding the accuracy of future premium volumes or surtax amounts.



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This document compares current EMS Fund Act funding levels to those proposed by Representative Campos in the draft legislation, known as the EMS Legacy Act. Please note the following:

- The numbers used here are based on estimates provided by personnel with the PRC. This is based on a fee of 0.885% on New Mexico insurance premiums totaling \$1,913,668,595 in FY11, resulting in an amount of \$16,935,967 available for the EMS and Trauma Funds.

	FY 10 Funding	Proposed Viability Funding
EMS Fund Act Total	\$3,875,900	\$8,722,023
• Local System	• \$2,906,925	• \$5,320,434
• Special Projects	• \$ 697,662	• \$1,569,964
• Regional Structure	• None specifically from Fund Act. \$270K GF money and \$423.6K of PVBG is used for 3 EMS regional contracts, a total of \$693,600.	• \$1,482,743
• Trauma Admin	• \$ 155,036	• \$0
• EMS Admin	• \$ 116,277	• \$348,881
Trauma Fund	\$4,145,400	\$8,213,944
• TSFA Hospital Distribution	• \$4,362,128*	• \$6,489,016
• TSFA Trauma System Distribution	• \$ 376,002	• \$ 821,394
• Admin (ASD)**	• \$ 207,270	• \$ 410,698
• Trauma Registry** and System Monitoring	• \$ 0	• \$ 492,836

* - A DOH BAR for \$800K utilizing unspent Federal money was added to the distribution for FY10 after initial distribution of \$4.145 million and ASD receiving their 5%.

** - Trauma Fund administrative funds are not currently held by the ERD Division/EMS Bureau but in ASD. The splitting of the fund into separate Admin and Trauma Registry amounts assumes this amendment was added to HB99. If it didn't, the original language stating 11% results in an amount equal to the two split amounts listed - \$903,534 going to ASD for administration, trauma registry, prevention, etc.)



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History of the EMS Fund Act:

1978

- **Original EMS Fund Act passed in 1978** to reduce the incidence and severity of injury and prevent loss of life.
- **First Fund Act allocated \$500,000** to establish and enhance local emergency medical services, and ensure availability of EMS in New Mexico.
- **Funds were made available to municipalities and counties at an average of \$5,208.**
- **The EMS Fund provided dollars** for the purchase, repair and maintenance of vehicles and equipment, training, and other EMS operational expenses with the exception of land, buildings, and personnel expenses.
- **Ninety-six (96) EMS Services** were funded the **first year** to reduce loss of life due to injury and illness.

1979 - 1987

- From 1979 – 1987, **EMS Services receiving support grew from 96 to 227.**
- Level funding resulted in an **average distribution decrease by 59% - average distribute was \$2,203**

1988 - 1997

- In **1988**, the **Fund Act funding source was changed to the “Dollar for Life”** initiative. This program contributed \$1.00 from each New Mexico motor vehicle registration to the EMS Fund.
- The average distribution increased to \$12,992
- In **1994**, EMS Fund Act became a distribution from the General Fund, and totaled \$2.94 million dollars at that time.
- There were 316 EMS agencies eligible for funding.
- The average percentage of these **EMS budgets covered by the EMS Fund Act dropped from 64% in 1996 – 1997 to 40% in 2006 – 2007.** These monies are utilized primarily for operational and educational purposes. Without adequate levels of this financial support, the operation, education, and staffing of the volunteer and career services is jeopardized.

1998 - 2010

- During the last 12 years, **number of EMS Services grew from 316 to 451.**
- Today, the EMS Fund Act distribution is \$3,875,500, and 451 EMS agencies are eligible for the funding, with average distribution of \$8,593
- There are **451 EMS agencies serving New Mexico**, including eight (8) air ambulance services. The 443 ground services are volunteer fire departments, career fire departments, volunteer EMS agencies, for-profit career EMS agencies, and not-for-profit career EMS agencies.
- **Ninety-two (92) of the ground services are transporting agencies that are reimbursed** through patient and third party billing. The **remaining 351 ground agencies are considered “rescues”**. Rescues do not routinely transport patients and do not bill patients or third parties for service, and therefore do not receive oversight from the PRC. These rescues are certified solely by the EMS Bureau. EMS agencies in New Mexico receive approximately 400,000 requests for service per year.
- The funding for **volunteer EMS agencies** is a significant issue for our state. **Volunteer EMS agencies are dangerously under-funded.** For example, the average fire department in New Mexico receives approximately \$80,801 from the state for fire suppression activities, while receiving approximately \$8,5593 from the state for EMS activities. Yet, the vast majority of requests for service, about 80% - 85%, are EMS in nature.

History of the EMS Trauma Fund:

2005 - 2010

- In **2005**, **House Memorial 20** created a Trauma Task Force that described the crisis in trauma care that led to the passage of the **Trauma System Fund Act with initial funding of up to \$5.5 million annually as a down payment on a \$30 million problem.** At this time, NM had 3 hospitals credentialed as Trauma Designated Facilities.
- In **2006**, **Governor Richardson appointed 11 members to the Trauma Fund Authority**, a task force charged with supporting existing trauma centers, developing new ones and distributing funds to improve trauma care in New Mexico.
- Today, **9 of 32 NM hospitals have been credentialed as Trauma Designated Facilities:** UNM-Albuquerque, CHRISTUS-St. Vincent Regional Medical Center, Santa Fe, San Juan Regional Medical Center-Farmington, Carlsbad Medical Center-Carlsbad, Gerald Champion Regional Medical Center-Alamogordo, Roosevelt General Hospital-Portales, Eastern NM Medical Center-Roswell, Nor-Lea Hospital-Lovington, Sierra Vista Hospital - Truth of Consequences.

