

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
**FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT**



**Fiscal Year 2022 Budget Hearing**

Testimony of  
**John A. Donnelly, Sr.**  
Fire and EMS Chief

Before the  
**Committee on the Judiciary and Public Safety**  
Council of the District of Columbia  
The Honorable Charles Allen, Chairperson

June 11, 2021

Washington, DC

Good afternoon, Chairperson Allen, councilmembers, and staff. I am John A. Donnelly, Sr., Chief of the D.C. Fire and Emergency Medical Services Department (the Department). I am here today to testify in support of Mayor Muriel Bowser's Fiscal Year 2022 (FY 2022) budget. For those of you watching from home, my testimony is available on our website at fems.DC.gov.

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The Mayor's FY 2022 proposed gross operating budget for the Department is \$302,301,927, which funds 2,200 employees. This is a 13.7 percent increase over the FY 2021 approved gross budget of \$265.8 million. The budget is comprised of \$267.5 million in Local funds, \$11 million in Special Purpose Revenue funds, and \$23.6 million in Intra-District funds.

In FY21, we continue to benefit from the Department's shift to a Medicaid cost reimbursement structure. Cost reimbursement means that we get reimbursed for the actual cost of providing EMS care and transport of Medicaid patients, rather than receiving flat transport fees. This change has resulted in a significant new revenue stream for the District and the EMS system. In FY22, we will use that revenue stream to shift a portion of our EMS costs from the local budget to a new intra-District fund. This is consistent with the structure used by the District's other Medicaid-reimbursed agencies.

#### **A. Operating Budget**

As I told our members last week, I am proud and honored to announce Mayor Muriel Bowser's proposed FY 22 budget enhancements for the Department. Her proposed budget demonstrates her continued steadfast commitment to our first responders' well-being and safety, and to our delivery of exceptional services to the residents and visitors of the District of Columbia.

The following is a summary of our enhancements:

- **District of Columbia Sobering Center, a partnership between the Department and the Department of Behavioral Health (DBH):** This funding, which is housed in the DBH budget, will develop, construct, and open the District of Columbia Sobering Center for individuals with uncomplicated, acute alcohol and opioid intoxication to provide a lower-cost alternative for patients who do not require transport to emergency departments. This project continues the District's innovation in EMS reform, bringing patients to the right care that is appropriate for their illness.
- **EMS Simulation Lab:** This enhancement funds a brand new, state-of-the-art EMS simulation lab for the Department's Training Academy. The Department's current EMS training model is largely classroom- and field-based. A simulation lab will recreate the types of situations and stresses that regularly occur in the field, but in a safe and forgiving training environment. This will improve the quality of training and bring the Department in line with best practices for EMS training.
- **Firefighter safety equipment:** This enhancement funds critical firefighter safety equipment. It will put thermal imagers on every engine company and provide a personal escape system for every riding position.

- **Cardiac Stress Testing:** This funding will improve and enhance the Department's ability to detect and prevent cardiac illnesses among our members. First responders have a greater risk for heart attacks than the general population; in fact, cardiac illness is a leading cause of line of duty deaths (LODD) for firefighters and was the cause of the Department's last two LODDs. This funding continues our commitment to improving our members' overall wellness and safety.
- **New Records Management System:** This enhancement funds implementation of one of our FY 2021 agency strategic initiatives, the design of a new, integrated Records Management System for both EMS and fire reporting, as well as ambulance billing. Safety Pad, our electronic patient care reporting program, is sunsetting in December 2021 and needs to be replaced. Additionally, our fire records reporting system is outdated and not fully compliant with many of our fire reporting requirements. The Records Management System project will support the Department's ongoing efforts to comprehensively document patient care, fire reporting, and other metrics, in compliance with best practices and federal and local requirements; improve patient care and outcomes; and generate revenue for the District through ambulance billing.
- **Civilian Force Multiplier Enhancement:** This enhancement adds three positions to critically understaffed Department divisions to improve overall agency operations. A new data analyst will drive performance improvement, while two new recruitment officer positions will facilitate the accomplishment of hiring goals and greater quality assurance in hiring.
- **Third Party Provider Contract:** This enhancement continues and increases funding for the third-party provider BLS transport contract, which expires in October 2021. The Mayor will soon submit a new contract for Council approval that will continue this critical resource, which was launched in 2016 and has served as the foundation of all the EMS reform that has followed since.
- **Funding for FEMS Fleet Maintenance Budget:** This enhancement brings the funding for the Apparatus Division to a level that maintains the Department's improvements in unit availability thanks, in part, to staying on the Department's apparatus replacement schedule. The additional funds will allow the Department to invest in preventive maintenance and keep more vehicles in an operating status at any given time, extending vehicles' usable life.
- **Firefighter Facilities Life Safety and Health initiative:** This enhancement will give FEMS' fire houses small budgets to perform basic repairs and maintenance rather than putting in work orders and waiting for service.
- **Grant Local Matching Funds:** This enhancement funds a line item in the Department's budget for local matches for future grants. The Department receives federal grants almost every year but does not have a dedicated budget for local matches and frequently diverts funds from other priorities for this purpose.

## **B. Capital Budget**

The Department's proposed capital budget for FY 2022 includes:

- **New Fleet Maintenance Reserve Facility/New Engine 7.** The capital budget continues the design, renovation, relocation, project management, and commissioning costs associated with the construction of a new Fleet Maintenance and Logistics Facility at Blue Plains. The current fleet maintenance facility site will be the location of a redeveloped Greenleaf housing complex, which will necessitate the location, design, and construction of a new Engine 7 in Southwest. The capital budget funds this project as well.
- **Maintaining the Department's apparatus replacement schedule,** with decreases necessary to balance the capital budget and financial plan in FY 23-FY27.
- **Relocation and construction of new Engine 26,** a project started in FY21.
- **Replacement of Fireboat 1 (John Glenn),** to ensure our improved response to the growing waterfront area, well into the future.
- **A joint study with MPD on modernizing both Departments' Training Academies.** Our TA is outdated and not a sufficiently large space for the Department's current operations.

## **C. Budget Support Act Provisions**

The Department has two FY22 Budget Support Act proposals.

The "Emergency Medical Services Reform Fund Amendment Act of 2021" clarifies how the Department's EMS Reform Fund will receive non-Medicaid ambulance transport payments (such as private insurance and Medicare payments). This fund was established in 2016 as a means of providing a regular revenue source for EMS reform. This subtitle clarifies that Medicaid related transport revenue is not deposited into this fund. Such a structure allows for the creation of a Department intra-District fund for the deposit of Medicaid reimbursements, as described earlier in my testimony.

The "Emergency Transportation and Pre-Hospital Medical Service Fees Amendment Act of 2021" increases the fees charged for ambulance transports by the Department and American Medical Response (AMR), our third-party Basic Life Support (BLS) provider. The Department bills insurance plans and individuals for transport by Department and AMR ambulances.

During October of 2020, and as required by the Department of Health Care Finance's (DHCF) regulations, we completed a Medicaid fee-for-service audited cost reporting process for FY19. The Department now has a clear understanding of the cost of its transports and EMS care, allowing the District to establish more accurate rates for services and to be reimbursed more fully by insurers and non-insured parties for the services it provides. By billing at a rate closer to actual costs, the Department will generate additional revenue for the District government. Beginning in FY20, the actual cost of transporting a patient to a hospital was \$2,446.

The Department's current charges for ambulance transports, however, are not closely tied to its actual costs. Nor are they consistent with the national market rate for the same services. The fees we charge have not increased since 2009.<sup>1</sup> The average fee per transport in FY20 was \$469 (or less than 20 percent of actual transport cost). In other words, during FY20, the Department experienced \$8.18 in costs for each \$1.00 we collected in fees.

The increased fees will enable the District to negotiate higher reimbursement rates from Medicaid, Medicare, and private insurers to more effectively close this gap. Importantly, the increased fees will be largely paid for by insurance companies. These fees, except in limited circumstances, will not be passed on to District residents.

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Mr. Chairperson, thank you for the opportunity to testify on the Department's FY22 proposed budget. The resources allocated by the Mayor will enable us to continue the transformation of the Fire and EMS Department. The Council and this Committee are critical allies in this effort, and I appreciate your work to ensure we operate at the highest level possible. I look forward to our continued collaboration as we do so.

I also want to publicly thank our employees for their hard work and dedication during one of the most difficult years of our Department's great history. Their performance and actions – consistent with our core values of Bravery, Accountability, Safety, Integrity, Compassion, and Service (what we call the B.A.S.I.C.S.)– has earned our Department the trust that is the basis for these significant investments.

My team and I are available to answer any questions.

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<sup>1</sup> See 29 DCMR 567. Currently the fees are \$428 for basic life support transport; \$508 for advanced life support level 1 transport; \$735 for advanced life support level 2 transport. In addition, a mileage fee of \$6.55 per mile traveled is also charged.