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M.O.R.E Mandates Sub-Committee
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Background

A **Primary Service Area (PSA)** is a specific geographic area that is served exclusively by an emergency medical services provider that is designated by the State of Connecticut Department of Public Health. The PSA is essentially a "closed shop" and only the provider designated by the State may answer emergency calls in the specified geographic area. This concept originated in Connecticut in 1974.

In a statement of intent prefacing the 1975 regulations, the stacking of emergency calls, rotation lists, and lack of accountability were all cited as problems that were to be eliminated by the PSA system.

Some important features of Connecticut's regulatory structure are worth noting.

- A provider only needs to go through the application process once. **The PSAR is an indefinite assignment.**
- If a company is merged or sold, **neither DPH nor the municipality served exercises any oversight** over that transaction.
- **Only three broad performance standards exist in regulation currently:**
  1. PSA holders are required to respond to all emergency calls 24 hours a day, seven days a week;
  2. PSA holders may lose their assignments if OEMS determines "it is in the best interests of patient care to do so";
  3. Municipalities may petition the commissioner to suspend a PSA holder if the chief administrative officer can demonstrate that "an emergency exists and that the safety, health, and welfare of the citizens of the affected area are jeopardized by the performance of the PSA responder";
- **There is no notion of competitiveness factored into the market for emergency medical calls.** Municipalities may contract with only the provider assigned to them to obtain better performance or higher level of service. Due to the methods of PSA assignment, this service cannot be bid on the open market.
- **PSA Holders are able to surrender a PSA at will** if they no longer chose to provide the service. **Municipalities are not granted that same right;** presently a municipality is not able to have a PSA removed if the municipality no longer wishes to have the service provided by the PSA Holder.

Justification for Change

- The PSA System is almost 40 years old. It needs to be updated incorporate the elements of best practice, transparency and home rule; all of which are rudimentary elements of good public policy.
- The current PSA system is essentially a monopoly. Monopolies are not good government.
- **It should be the role of the municipality to select their provider.** It should be the role of DPH to ensure that Local EMS Plans comply with the law and those EMS providers meets the required criterion. Home rule is a fundamental aspect of the laws and traditions of every New England state.
- **No provider should continue to enjoy an entitlement to a PSA.** A PSA should never be viewed as a commodity that may be bought and sold. The ability of a municipality to review and change EMS providers will provide EMS companies cause to ensure that their quality of service remain at the highest level and are provided at reasonable costs. Competition for services keeps providers alert and attuned to their own costs and quality.
- National healthcare reform supports the notion of accountability via the creation of large Accountable Care Organizations (ACOs). Large hospital and multi- specialty doctor systems are now being forced to become directly accountable for their costs and for the quality that they drive through their system. **The recommendation to modify OEMS PSA regulations creates a higher level of accountability.**
- Municipalities are acutely aware of their vendors and will do a better job ensuring accountability. **Good healthcare policy relies upon competition and local management.**
- **Towns and Cities should have the right to choose who provides Emergency Medical Service in their towns.** Ambulance Transport is a function of Public Health. Decisions regarding this should be made and regularly evaluated at the municipal level and not granted by the State for life.
- **Municipalities routinely go out to bid for proposals to determine the best way to provide a variety of services as a matter of best practices. Ambulance Transport Service should be no exception.**

Proposed Changes

1. **It shall be the responsibility of each municipality or state agency to update the Local Emergency Medical Services Plan** (Local EMS Plan), which is required by CGS 19a-181b, as necessary to respond to the dynamic needs of their community, as well as specify EMS objectives and performance measures necessary to meet the local community needs.

   In the event that the that the existing PSAR is unable to deliver the requisite level of care identified in the updated Local EMS Plan to meet the needs of the community in a manner acceptable to the municipality, the municipality may petition DPH for removal of the PSAR.

   In the event that the updated Local EMS Plan demonstrates that said municipality or state agency is positioned to deliver EMS Service, or contract to have EMS Service delivered through a responder other than that which is currently designated by the state, such plan shall be reviewed by the Department of Public Health (DPH) for

compliance with CGS 19a-181b. The provider named in the Local EMS Plan must then apply to DPH for the PSA Assignment in accordance with OEMS Regulations 19a-179-4.

Upon determination by DPH that both the Local EMS Plan and the provider named within the plan comply with the stated CGS and OEMS Regulations, DPH shall reassign the PSA Assignment in accordance with the Local EMS Plan.

2. DPH shall conduct a review of the EMS Delivery in every municipality in Connecticut a minimum of every five years. Such review shall include, and independently evaluate the following elements for compliance with CGS 19a-181b and relevant OEMS Regulations:

a. Local EMS Plan
b. Performance of all levels of assigned PSARs.

DPH shall assign a rating of Meeting Established Standards, Exceeding Established Standards, or Failure to Comply with Established Standards. DPH shall withdraw the PSA Assignment from any PSAR that fails to comply with the established standards. Failure to comply will result in a DPH approved improvement plan with periodic follow-up reviews with a 6 month time frame, subject to the approval of both the municipality and the PSAR. Continued or repeated failure to comply could then result in DPH removal of PSA assignment.

3. Any sale of an existing service shall cause DPH to withdraw all PSA Assignments assigned to that service.

4. Modify CGS 19a-181c (b). The current language restricts the ability of a municipality to petition the DPH Commissioner for removal of a responder to every 3 years. **This proposal is to allow a municipality to petition the DPH Commissioner "as warranted", without time or frequency restrictions.**

Relevancy to the M.O.R.E Commission

The current system removes the right of a municipality to consider regional or other cooperative options for the delivery of EMS in their community that can enhance the service in a community or allow for it to be provided more efficiently.

In Farmington, for instance, the designated provider for ambulance transport service is American Medical Response.

- Farmington presently operates a regional dispatch center that dispatches both the Town of Farmington and Burlington Fire Departments. Burlington Fire Department operates an ambulance transport service. There could be benefits to both communities if the ambulance service were expanded to include both towns.
- New Britain EMS operates in the city immediately adjacent to the Town of Farmington. Farmington is not able to consider opportunities with NBEMS to expand their service and provide service to both municipalities even though the municipalities already have good working relationships in other areas of public safety.
- The University of Connecticut Health Center Fire Department presently provides an outstanding paramedic service to the Town of Farmington. Paramedics are

dispatched from the Health Center and often ride back to the hospital in an American Medical Response Ambulance while rendering care to the patient. Imagine the efficiencies that might exist if those same paramedics who are already going to the medical calls were allowed to respond in an ambulance and then transport the patient back to the hospital! Tthere would be fewer emergency vehicles responding to calls, the same people who presently render the care would continue to do so, and the State of Connecticut would be able to recoup more of the cost of providing this service by billing the patients for both the transport and the medical care.

Conclusion

Municipalities have adopted "best practice" standards and vendor management policies to help them to evaluate and select the vendors who help them to provide goods and services to the communities they serve. These best practices point to the fact that demographics change necessitating frequent evaluation of services and service providers relative to the adequacy and appropriateness of the vendors and the services provided by the vendors. A municipality will often go out to bid on goods and service every 3-5 years with very clear specifications reflecting current needs and expectations.

The current system for ambulance service creates a defacto monopoly for the provider which doesn't account for changes in the holder of the PSA or of the municipality being serviced. This is contrary to best practice. This does not encourage cost and quality economies. It is not a transparent system. The current system is an anachronism.

Healthcare consumes nearly 20% of this country's GDP. That number continues to grow. Healthcare reform under PPACA encourages providers to become accountable care organizations where both cost and quality are encouraged and paid for. The existing monopolistic PSA system runs counter to public policy. There are NO incentives for advancing cost and quality within the organizations. Further, the monopolies created by the system have legacy status. Even if the organization changes; it is protected by the artificial blanket of this bad public policy.

Most municipalities fashion their budgets and capital initiatives off of a strategic plan that is created by polling the citizens of their community. Goals are created by assessing the needs of citizens in the community. The existing EMS system does not allow a municipality to respond to its own citizen's demands for specific services simply because home rule is removed from the decision making process for a community's elected official. This is bad public policy.

Respectfully Submitted,

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