

JAN 25 2006

A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH
FOR THE EMERGENCY MEDICAL SERVICES SYSTEM BRANCH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. This Act is recommended by the governor for
2 immediate passage in accordance with section 9 of article VII of
3 the Constitution of the State of Hawaii.

4 SECTION 2. Although funds were appropriated to the
5 department of health for emergency medical services for the
6 fiscal period beginning July 1, 2005 and ending June 30, 2006, a
7 critical funding emergency now exists.

8 The purpose of this Act is to appropriate an additional
9 \$7,154,735 in general funds for fiscal year 2005-2006 to pay for
10 unexpected ambulance service contract collective bargaining
11 costs, fuel and other ambulance service operating costs, and
12 contract ambulance billing and collection costs. This emergency
13 appropriation is necessary to comply with collective bargaining
14 increases negotiated by ambulance service providers statewide,
15 increases in fuel and other ambulance service operating costs,
16 and increases in workload in contracted ambulance billing and
17 collection services. In addition, the purpose of this Act is to

1 request an increase in the Emergency Medical Services Special
2 Fund due to increase in costs in contract ambulance services in
3 Maui and Kauai counties.

4 SECTION 3. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$5,621,552, or so
6 much thereof as may be necessary for fiscal year 2005-2006, for
7 the City and County of Honolulu; the sum of \$867,531, or so much
8 thereof as may be necessary, for the County of Hawaii; the sum
9 of \$394,330, or so much thereof as may be necessary, for the
10 department of health for the purposes of payment to the American
11 Medical Response-Maui, and the sum of \$178,976, or so much
12 thereof as may be necessary, for the department of health for
13 the purposes of payment to the American Medical Response-Kauai
14 to comply with negotiated collective bargaining agreements,
15 increases in fuel costs, and other ambulance service operating
16 costs. In addition, there is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$92,346, or so much
18 thereof as may be necessary, for Emergency Medical System
19 contract ambulance billing and collection costs.

20 SECTION 4. There is appropriated an increase in the
21 Emergency Medical Services Special Fund the sum of \$441,721, or
22 much thereof as may be necessary, for fiscal year 2005-2006 to

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1 be used for increased costs in contract ambulance services for
2 the counties of Maui and Kauai, and for payment of the Central
3 Service Assessment and Department Administrative Expenses for
4 fiscal year 2005-2006.

5 SECTION 5. The sums appropriated shall be expended by the
6 department of health.

7 SECTION 6. This Act shall take effect upon its approval

8
9 INTRODUCED BY:



10 BY REQUEST

11

JUSTIFICATION SHEET

SB. NO. 2339

DEPARTMENT:

Health

TITLE:

A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR THE EMERGENCY MEDICAL SERVICES SYSTEM BRANCH.

PURPOSE:

The purpose of this Act is to appropriate an additional \$7,154,735 in general funds for fiscal year 2005-2006 to pay for ambulance service contract general operating costs for supplies and equipment, including negotiated collective bargaining costs. This emergency appropriation is necessary to comply with collective bargaining increases negotiated by ambulance service providers statewide and other increasing operating costs for vehicles and equipment. The ambulance providers are also experiencing increased fuel and medication costs that they are unable to continue funding with the current level of funding. The measure will increase the authorized expenditure limit for the Emergency Medical Service special fund expenditure ceiling by an additional \$441,721.

MEANS:

Emergency appropriation of general funds for the emergency service system branch of the department of health for fiscal year 2005-2006, in accordance with section 9 of article VII of the Constitution of the State of Hawaii, and sections 37-92(b) and 37-92(h), Hawaii Revised Statutes (HRS) and legislative authorization to increase the emergency medical services special fund expenditure limit.

JUSTIFICATION:

The State provides emergency ambulance services through contractual arrangement with the City and County of Honolulu, the County of Hawaii and a private provider, American Medical Response ("AMR") for the Counties of Maui and Kauai. Each of the respective providers of emergency medical personnel are represented by a union for the collective bargaining of salaries.

A detailed analysis was done to determine each ambulance contract additional collective bargaining cost and justification for additional operating cost for fuel, medical supplies and equipment. City and County of Honolulu is \$5,621,552, Hawaii County is \$867,531, AMR - Maui is \$394,330, and AMR Kauai is \$178,976.

Historically, the State has recognized ambulance contract collective bargaining agreement costs as allowable cost for the provision of emergency ambulance services statewide.

EMS contracts for billing and collection services for ambulance fees. In FY 06 there is \$1,155,852 allocated for billing services (\$1,155,852 is comprised of \$258,100 appropriated funds in FY 06 and \$305,276.04 appropriated funds in FY 05 that department transferred to EMS. The FY 05 funds encumbered were carried-over into FY 06 when the time of performance for the contract was extended through June 30, 2006.). EMS has been billed for 40,911 billable ARFs at a cost of \$680,349.93 for the period July 2005 through December 2005. The number of billable ARFs projected for January 2006 through June 2006 is 34,146 (62,600 billable ARFs for the period January 2005 - November 2005. 62,600

divided by 11 months = 5,691 per month. 5,691 x 6 months = 34,146). The projected cost for ARFs to be billed January 2006 through June 2006 is \$567,847.98 (\$16.63 per ARF x 34,146 ARFs = \$567,847.98). The difference in funds allotted and funds required to meet projected service needs is - \$92,345.91 (\$1,155,852 allotment - \$680,349.93 billed July - Dec - \$567,847.98 projected to be billed Jan - Jun = -\$92,345.91). The EA request is for \$92,346 for billing services to add to \$1,155,852 funds already allocated to total \$1,248,198 for FY 06.

The Emergency Medical Services special fund ceiling must be increased due to increase in costs in contract ambulance services in Maui and Kauai counties, and Central Service Assessment and Department Administrative Expenses for fiscal year 2005-2006.

The general fund recommendation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular and special sessions of 2005, the Executive Branch appropriation ceiling for fiscal year 2005-2006 has already been exceeded by \$165,665,981 or 3.83 percent. Funding requested in this measure are for the purposes of paying for ambulance service contract general operating costs for supplies and equipment, including negotiated collective bargaining costs, and will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2005-2006 by \$7,154,735 or .17 percent. This current declaration

takes into account additional general fund appropriations authorized for fiscal year 2005-2006 in this measure only, and does not include other general fund appropriations for fiscal year 2005-2006 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2006.

Impact on the public: Assurance of continued availability of emergency ambulance services is available at the current level of service throughout communities statewide.

Impact on the department and other agencies: Provide funding for emergency ambulance contracts for the City and County of Honolulu, the County of Hawaii, and the counties of Maui and Kauai for AMR.

GENERAL FUND: \$7,154,735 (fiscal year 2005-2006).

OTHER FUNDS: \$441,721 Emergency Medical Services Special Fund.

PPBS PROGRAM DESIGNATION: HTH-730.

OTHER AFFECTED AGENCIES: City and County of Honolulu, County of Hawaii, and Department of Budget and Finance.

EFFECTIVE DATE: Upon approval.