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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/11  
 LAST UPDATED 03/18/11    **HB**

SPONSOR   SFC  

SHORT TITLE   Emergency Medical Services Protection Fund      **SB**   CS/595/ aHTRC  

ANALYST   Esquibel  

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$1,464.0	Recurring	Emergency Medical Services Protection Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$1,464.0	\$1,524.0	Recurring	EMS Protection Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$7.5	\$7.5	\$22.5	Recurring	GF—TRD ITD Operating Budget
		\$1,231.7 – \$1,368.6	\$1,343.7 – \$1,493.0	\$3,695.1- \$4,105.8	Recurring	Bernalillo Local Corrections Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

SB595/SCORCS relates to SB381, Create EMS Protection Fund.

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Taxation and Revenue Department (TRD)

Administrative Office of the Courts (AOC)

Administrative Office of the District Attorneys (AODA)

**SUMMARY**

Synopsis of HTRC Amendment

The House Taxation and Revenue Committee amendments to the Senate Finance Committee substitute for Senate Bill 595 allow EMS Protection Fund distributions to be made to ambulance services that receive up to one thousand emergency services call per year and have full-time, paid personnel.

Synopsis of SFC Substitute

The Senate Finance Committee substitute for Senate Bill 595(SB595/SFCS) proposes to create the Emergency Medical Services (EMS) Protection Fund which would collect revenues from fees assessed for certain misdemeanors to provide additional support to primarily small Emergency Medical Service agencies that respond to 1,000 or fewer requests for service per year. The bill provides that the Department of Health (DOH) use a portion of the funding to contract with nonprofit agencies to provide EMS regional management.

**FISCAL IMPLICATIONS**

SB595/SCORCS adds a new additional fee imposed for violations of the Motor Vehicle Code. The Emergency Medical Services Protection Fund fee of \$5 is to be collected from persons convicted in magistrate and municipal courts, and in conjunction with penalty assessments. The bill adds a new Section to NMSA 1978 to create the Emergency Medical Services Protection Fund.

The bill also makes a technical correction to the fee charged by magistrate and municipal courts for copying fees, revising 50 to be \$0.50.

The Taxation and Revenue Department bases the fiscal impact on 2010 calendar year numbers of motor vehicle code convictions by the courts and penalty assessment misdemeanors = 284,284 obtained from MVD information systems. An assumed growth rate of 2% per year was applied.

There would be a moderate impact to the Taxation and Revenue Department's information systems, for a total of 150 hours@\$50/hour = \$7,500.

The Administrative Office of the Courts indicates the Emergency Medical Services Protection Fund is a new fund that will require additional administrative resources within the courts. Court staff must transfer the fees collected in court pursuant to the Emergency Medical Services Protection Fund to the Administrative Office of the Courts. Fiscal services staff from the AOC Fiscal Services Division (FSD) must then process the transfers, prepare deposits to place in the appropriate state account, and reconcile accounts for all courts on a monthly basis. FSD already has 16+ agency funds of this type. Adjustments to AOC FSD reconciling programs and all

associated reconciling documents have to be updated to add the new fee.

### Continuing Appropriations Language

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

### **SIGNIFICANT ISSUES**

The new Emergency Medical Services Fund proposed by SB595/SFCS would be a non-reverting fund administered by the Department of Health (DOH) to be used as follows:

- No less than 34% for ambulance services that receive fewer than 1,000 emergency calls per year and have no paid full-time personnel, to be used for ambulance services;
- No less than 31% for local emergency medical services entities that respond to from 25 to 1,000 emergency calls per year and have no paid full-time personnel, to be used for advanced technology equipment, operational costs (excluding salaries and benefits), purchase and repair of ambulances, equipment and supplies, and training and licensing of emergency medical services personnel;
- No more than 31% shall be used by DOH to contract with nonprofit entities to establish or operate regional offices that provide planning and development services, technical assistance, and support and coordination with emergency medical services statewide; and
- No more than 4% for DOH administration.

Two-hundred and ninety-four (294) EMS agencies report that they respond to fewer than 1,000 requests for service per year, 192 of which list themselves as all-volunteer. These agencies generally function in the rural and frontier areas of New Mexico and tend to be underfunded for their EMS activities, according to the final report of the 2007 House Memorial Task Force. This report stated that in 2007, available state funding provided less than 40% of the EMS operational costs for small EMS services. Since that report, the average state distribution to EMS agencies has decreased from \$9,482 in FY 2007 to \$8,514 in FY 2011 in the wake of the economic downturn, further decreasing available funding for these small services.

Of the 192 volunteer services, 23 are “ambulance services” staffed exclusively by volunteers – the rest are either ambulance services with paid personnel or small medical rescue services that do not routinely transport. Twenty-three services (8% of volunteer services) would be eligible for 34% of this EMS Protection Fund (as described in Section B(1)(a) & (b); page 2, lines 13-23).

The 169 volunteer medical rescue entities would be generally be eligible for the 31% of the funding as described in B -2, starting on page 2; line 24 and continuing to page 3, line 3. Two or three of these services could fall below the 25 calls per year minimum in a given year.

### **ADMINISTRATIVE IMPLICATIONS**

There would be a moderate impact to the Taxation and Revenue Department’s information systems, for a total of 150 hours@ \$50/hour = \$7,500.

The DOH Emergency Medical Systems Bureau administers a similar fund for EMS agencies and

anticipates this proposed bill would not significantly increase the administrative requirements of the EMS Bureau.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

TRD indicates SB595/SFCS may conflict with HB-58, HB-417, SB-23 and SB-465 as all five bills amend Section 35-6-1. May conflicts with HB-417, SB-23, SB-277 and SB-465 as all five bills amend Section 66-8-116.3. May conflicts with SB-23 as both bills amend Section 66-8-119.

SB595/SCORCS relates to Senate Bill 381 (SB381) which also proposes to create a new fund, the Emergency Medical Services (EMS) Protection Fund, from a surtax on certain insurance premiums that would support primarily small Emergency Medical Service (EMS) agencies – those that respond to 1,000 or fewer requests for service per year. It also allows the Department of Health (DOH) to use a portion of the funding to contract with nonprofit agencies to provide EMS regional management.

**TECHNICAL ISSUES**

The Taxation and Revenue Department indicates SB595/SFCS should probably have an EFFECTIVE DATE provision that will allow time to revise penalty assessment forms used by law enforcement, and assist in uniform and timely implementation of the new fee.

The Administrative Office of the Courts indicates SB595/SFCS should amend Section 35-7-4, "Magistrate administration; monthly remittances," which sets forth a paragraph for each fund with an associated fee assessed in magistrate court. The amendment should provide a new paragraph "I" stating that the fees collected in court pursuant to the Emergency Medical Services Protection Fund must be credited to that fund.

The Department of Health (DOH) reports of the total 294 agencies reporting they respond to fewer than 1,000 calls, 102 report that they provide some sort of reimbursement for their caregivers and could include paid, full time caregivers. These 102 EMS agencies also provide critical EMS response in rural and frontier areas and would benefit from additional funding. DOH recommends that the requirement under Section 1 B(1)(b) on page 2, line 23, that the agency "have no paid, full-time personnel" be struck. The DOH also recommends that the same phrase be struck from Section 1 B(2) on page 2, line 24, that continues to page 3, line 3.

This bill proposes that the DOH utilize a portion of the funding to contract with private, nonprofit agencies. It is conceivable that there could be no entities with which it would be appropriate to contract. DOH recommends that the phrase "unless the DOH shows good cause for not contracting these services to nonprofit agencies" be added to Section 1 B(3), line 20, on page 3.

RAE/bym