Northern Light Health

43 Whiting Hill Rd.
Brewer, ME 04412

Northern Light Health
Acadia Hospital
A.R. Gould Hospital
Beacon Health
Blue Hill Hospital
C.A. Dean Hospital
Eastern Maine Medical Center
Home Care & Hospice
Inland Hospital
Maine Coast Hospital
Mayo Hospital
Mercy Hospital
Northern Light Health Foundation
Northern Light Medical Transport
Northern Light Pharmacy
Sebasticook Valley Hospital

Testimony **in Support of** LD258: An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024, and June 30, 2025

May 17th, 2023

Senator Rotundo, Representative Sachs, and distinguished members of the Joint Standing Committee on Appropriations and Financial Affairs:

My name is Joe Kellner, and I am here today, on behalf of Northern Light Health, to speak in favor of the sections of the supplemental appropriations related to Emergency Medical Services. Emergency Medical Services in the State of Maine continue to face substantial headwinds in the sustainable provision of emergency medical response. The Governor's support of the Blue Ribbon Commission recommendations and the allocation of $31,000,000 will undoubtedly offer some additional stability to the fabric of the system that allows EMS to come every time someone calls 911.

Personally, I am a licensed paramedic; I have worked for municipal, taxable, fully volunteer and non-profit EMS services. Through my 20 years of experience, I have witnessed firsthand how the system in many parts of the state would not exist except for the sacrifice of individuals dedicated to serving their communities. The struggles services are facing today vary, but can be placed into a handful of categories:

Staffing: many of our services have only one or two steadfast providers that enable services to keep the lights on. These services find themselves one back injury or illness away from catastrophe. Declining volunteerism and low wages have inhibited EMS from effective recruitment and retention.

Finance: EMS, especially in rural areas like Maine, is not well financed. I would postulate that when all inputs are considered, there is not a service in our state that can demonstrate financial viability without subsidy. The traditional "pay for transport" model no longer works. I urge you to pay close attention to proposals like those in LD1602, implementing recommendations of a committee that I chaired, that improve re-shape reimbursement in a way that increases sustainability without a fiscal note.

Efficiency: While many services are operating as efficiently as they possibly can, Maine needs to take a hard look at the structure of the Emergency Medical Services system. To some extent, this is being accomplished through strategic planning and will be enhanced by the cost reporting components of LD1602. However, it needs to be taken seriously that proliferation of multiple EMS services generally linearly increased fixed costs while decreasing efficiency. In

other words, as the number of services increases, the value of a reimbursement dollar decreases.

Notably, every service is struggling from the City of Portland to Ambulance Service Inc. in Fort Kent. Their struggles may look different, but each is worthy of funding to support enhancing the provision of service so that EMS can continue with its timeless promise; "If you call us, we will come."

Although I have authored the draft allocation formula, I am concerned with the process by which the funding is distributed. I am in agreement with the language regarding how the money may be spent, and further I am supportive of having a mechanism to ensure compliance. However, requiring a complex grant application is likely to add months to the process. Rule promulgation in my experience will take six to nine months (as evidenced by the Maine EMS community grant program from the 130th with rules still in draft form). I recommend an immediate distribution of the majority of the funds based on the formula I have created, saving some percentage for targeted grant projects. A simpler approach would also save tax dollars by not needing four additional positions in government to support this program. This methodology is consistent with the HCBS funding and the federal provider relief funding. Frankly I don't feel much is to be gained by the more complex process that is being proposed – the downsides outweigh the upsides.

Finally, I have concern with limiting distribution based on service structure. Not allowing for-profit services to participate seems short-sighted. In fact, there is only one taxable service that would qualify, and that service has shown substantial commitment to innovation and community collaboration. It is my opinion that the restriction should only be that the service is providing 911 response, which the funding formula contemplates. Should services not use the money appropriately, a claw-back provision would seem appropriate. However, services need this money, and they need it soon. I am confident, based on the restrictions on how the money is to be spent, that the appropriate guardrails will exist.

Thank you for your time today. I would be honored to have the privledge of helping draft a suitable amendment that improves this process while being good stewards of tax dollars.

Proposed funding formula (concept / simplified):

USDA Frontier Rural Score x 911 Calls by Zip Code (2022) = weighted score

Weighted score / total score (all services) = percentage of distribution

Minimum distribution*: $15,000

Maximum distribution*: $500,000

**Non-transporting services would follow the same formula with lower allocation minimum and maximum numbers*