

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the 3rd Meeting of the 2021 Interim

August 26, 2021

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Local Government was held on Thursday, August 26, 2021, at 11:00 AM, in South Wing C, Rooms 101 and 104 of the Kentucky Fair and Exposition Center, in Louisville, Kentucky. Representative Michael Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representative Michael Meredith, Co-Chair; Senators Ralph Alvarado, Denise Harper Angel, Christian McDaniel, Morgan McGarvey, Michael J. Nemes, Wil Schroder, Adrienne Southworth, Brandon J. Storm, Damon Thayer, and Phillip Wheeler; Representatives Danny Bentley, Josh Bray, George Brown Jr., Jonathan Dixon, Jeffery Donohue, Ken Fleming, Deanna Frazier, Regina Huff, Mary Beth Imes, DJ Johnson, Matt Lockett, Jerry T. Miller, Rachel Roberts, and Walker Thomas.

Guests: Ryan Quarles, Commissioner of Agriculture; Representative Norma Kirk-McCormick, 93rd House District; Mayor Greg Fischer, Louisville Metro Government; Brian O'Neill and David Howser, Kentucky Association of Fire Chiefs; Keith Sanders, Edmonson County Ambulance Service; Bryanna Carroll, Director of Public Affairs, Kentucky League of Cities; Lt. Col. Mike Sutt, Anchorage-Middletown Fire Department and EMS; Mayor Les Stapleton, City of Prestonsburg; and Michael Poynter and Chuck O'Neal, Kentucky Board of Emergency Medical Services.

LRC Staff: Mark Mitchell, Joe Pinczewski-Lee, Christopher Jacovitch, and Cheryl Walters.

Approval of Minutes

Upon the motion of Senator Alvarado, seconded by Representative Roberts, the minutes from the July 20, 2021, meeting were approved.

Welcome Remarks

Mayor Greg Fischer, Louisville Metro Government, welcomed the committee to Louisville. Mayor Fischer told members that Louisville has been allocated \$388 million from the American Rescue Plan Act (ARPA), and have outlined five focus areas as ARPA priorities: homelessness and affordable housing; workforce development and small

business support; health investments; public safety investments; and premium pay for frontline workers. ARPA is a great opportunity to make a significant community impact and lasting change, but this is a one-time opportunity and cannot be used as a long-term structural tax. Mayor Fischer thanked Representative Meredith for his work on championing tax reform locally.

Louisville Metro's Civilian Review and Accountability Board was signed into ordinance in December 2020. The board creates a new layer of independent review to Louisville Metro Police Department (LMPD) disciplinary matters and will oversee the work of the Office of Inspector General, which will have the authority to investigate incidents of improper conduct by any members of the LMPD.

Firefighter Retiree Health Insurance Costs

Mr. Brian O'Neill, Legislative Director for the Kentucky Professional Fire Fighters, addressed the impending crisis in Kentucky for any government employees hired after July 1, 2003. He told the committee that although he would be using firefighters and the hazardous duty system in his examples, the crisis includes all hazardous and non-hazardous city, county, and state employees.

In 2003, the legislature made a change in the retiree health insurance program. Rather than providing a health insurance plan, new employees would get a monthly credit towards purchasing the state health insurance plan. This is not money that can be used towards any plan on the market, it is only a credit towards the plans that the state offers.

For hazardous duty employees, that credit is \$15 a month multiplied by the number of years of service (non-hazardous is \$10), and there is a built in cost of living adjustment of 1.5 percent per year. So in 2023, when the first affected hazardous duty members are eligible to retire, they will have a credit of \$21.30 per month, times 20 years of service, which equals \$426 per month to be used towards a health care plan. The legislature believed that the credit would keep pace with the cost of insurance, but it has not.

Mr. O'Neill compared two hypothetical firefighters: firefighter A was hired in June of 2003, and firefighter B was hired in August of 2003. Both are planning to retire in September of 2023. Both of them were hired by the same department, took the same risks, were exposed to the same tragedies and hazards, and carry those physical and emotional scars with them. They earned a similar salary and are retiring with the same pension benefit—a monthly check of \$3,000.

Firefighter A will have a choice of health insurance plans, whether single, married, or family plan; and the monthly premiums will be covered. Firefighter B will be provided a \$404 credit to purchase a health care plan through the state system—not on the open market, they must shop at the company store. The current monthly cost for a family plan ranges from \$1,500 to \$1,840. A married plan is only slightly less at \$1,375 to \$1,650. If a middle of the road family plan is picked at \$1,673 per month and apply the \$426 credit, firefighter B will have to pay \$1,247 per month just to have health insurance—an amount that is greater than most people’s house payment and auto payment combined. If they and their family never get sick, never get injured, they will still be paying \$14,964 per year to have an insurance plan. That accounts for 42 percent of their pension check and leaves them with just \$1,753 per month in take home pay before taxes.

This is a serious crisis that will start impacting hazardous duty employees in 2023 and the non-hazardous employees in 2030. That means there is still time to act. The state’s public servants deserve better, and the Commonwealth of Kentucky can do better.

Mr. David Howser, Assistant Fire Chief for the St. Matthews Fire Department, and Legislative Committee Chair of the Kentucky Association of Fire Chiefs (KAFC), discussed the increased Tier One B, Two, and Three retired firefighter health insurance costs and the associated impact on the fire service in Kentucky. Over the years, it has been widely expressed that public employees typically receive lower pay in comparison to similar professions in the private sector, but that the lower pay was balanced by what many considered a better defined benefit pension program. For those hired after 2003, they are truly a public servant working for lower pay and a minimal pension plan.

The difficulties of getting ambulance service is in part due to low pay and a lack of a good pension plan. Surveys point to part of the problem being low pay and the lack of a good pension plan.

Recruitment of individuals to join Kentucky’s fire service becomes more difficult every day. Due to the lack of volunteer firefighters, which is another big issue in itself, fire departments have to cast a far net to recruit new trained employees. The urban or suburban areas near the state’s larger cities and Northern Kentucky, due to larger tax bases, are able to pay more and lure employees away from the smaller or more rural areas.

Firefighters, and all public employees, have exhibited a passion to serve the Commonwealth. Many have probably done this due to that passion but also knowing they had a quality pension plan, making up for the reduced take home pay in comparison to their private sector counterparts.

Any change or adjustment to any Kentucky Public Pensions Authority plan could result in an increase in the actuarial required contribution. Mr. Howser urged the committee to study what can be done to at least adjust the health insurance credit system for all public employees who began serving the Commonwealth on or after July 1, 2003.

EMS Recruitment and Retention

Mr. Keith Sanders, Director of the Edmonson County Ambulance Service, discussed Edmonson County's demographics and noted that their service provides one 24-hour ambulance and one 16-hour ambulance. Staffing is the greatest challenge. The Edmonson County EMS has eight full-time employees, five of those work at another EMS agency either full-time or as necessary. The others either work a full time job outside of EMS or they are students.

There is difficulty in recruiting people into the EMS profession because they are required to pay, out of their own pocket, up to \$1,000 in tuition for the Emergency Medical Services (EMS) program. An Advanced Emergency Medical Technician (AEMT) course is twice that. Paramedic tuition is around \$8,000 to \$10,000. Kentucky Educational Excellence Scholarship (KEES) money should be allowed to be applied to any Kentucky Board of Emergency Medical Services (KBEMS) approved EMS initial licensure program, regardless of whether it is at a Kentucky university or college. There is not a lot of incentive to work for EMS because there is a larger out-of-pocket tuition outlay for little pay in return. Paramedics have similar financial costs for training as nurses, but for \$10 an hour less pay. The pay level has to be raised. Currently most fast food workers start out making more money than Emergency Medical Technicians (EMTs). EMTs typically start between \$11 and \$12 per hour.

EMTs provide more services than simply transporting people. They staff a rolling emergency room.

EMS in Kentucky is in danger of collapsing. Services are stretched thin. Mutual aid agreements with other jurisdictions cannot guarantee uninterrupted service.

There are two potential solutions that would help with recruitment and staffing. The first would be to create an advancement pathway or educational bridge program to allow an AEMT to advance to paramedic without repeating material that was covered in AEMT class. This, in conjunction with a bridge from paramedic licensure to registered nurse, would create a definitive pathway for career advancement. The second would be to allow re-employment of retired County Employees Retirement System (CERS) paramedics. Kentucky should create a program for paramedics that is similar to the Kentucky State Police Trooper-R program that would allow CERS retired paramedics to return to employment with CERS participating agencies without penalizing the retiree or the agency that employs the retiree.

Representative Kirk-McCormick said that pay needs to be increased, and Medicaid reimbursement for ambulance runs needs to be increased. The hours are long and the job is hazardous.

Representative Brown told Mr. Sanders that the legislature may be able to assist with legislation. He asked Mr. Sanders to get information to committee staff on how the legislature can help. Representative Brown stated that something may definitely be done about the re-employment of retired paramedics.

In response to a question from Senator Alvarado, Mr. Sanders said his EMTs transport patients to Warren, Grayson, and Barren counties. Transporting patients from the hospital back to their homes varies by the county and the hospital. Switching a truck from being staffed for eight hours to 16 hours, combined with the reduction in overtime and increased transport opportunities essentially paid for the additional costs at the time which was roughly \$100,000. Not being able to transport “returns” impacts finances. It costs the same amount, less gas, to keep a staffed truck in the garage as it does when it is making runs, so transporting patients, even with the \$80 non-emergency Medicaid reimbursement amount, reduces the average cost per run. The service tries not to make non-emergency runs unless there is a vehicle available for emergency runs either in the garage or through an agreement with another agency. Making non-emergency runs helps bring in money.

Representative Meredith commented that his community is considered an urban area for Medicaid reimbursement, despite his community’s small size. This affects reimbursement levels for eligible runs.

Ms. Bryanna Carroll, Director of Public Affairs, with the Kentucky League of Cities (KLC), told the committee that the paramedic shortage threatens the health and welfare of citizens. KLC and local EMS officials first testified before the committee in 2019 on how limited training programs, time, and costs of accreditation have all combined to create the problems. Cities are continuing to report the same concerns. Cities often pay the cost of training, only to have newly certified paramedics leave for a higher paying job in the private sector. To exacerbate the problem, the state has shifted paramedic training into more of a college academia setting that the previous vocational focus.

Lt. Col. Mike Sutt, Deputy Chief of the Anchorage-Middletown Fire Department and EMS, told the committee that only four local governments are currently training their own EMS personnel—there are 13 such sites statewide. It takes 2,000 hours of training for an emergency medical responder to become a paramedic. Working EMTs often struggle to find the time to attend paramedic school. Cost can also be a deterrent—an 18 month paramedic program costs \$9,000 using a program within the Kentucky Community and Technical College System (KCTCS). Over a three-year period, from 2016 to 2020, Kentucky produced 448 paramedics. Considering there are 120 counties in Kentucky that is only four per county.

An additional challenge is that Kentucky uses the National Registry of Medical Technicians as the state's sole certifying exam site—a requirement not used by some neighboring states. Once paramedics are certified, many choose to leave the ambulance service for increased pay, better retirement, and career advancement. This can skew Kentucky's numbers, as many certified paramedics do not work on an ambulance. KLC data shows that outside of Louisville, only around nine percent of paramedics employed by cities do not also serve as a firefighter.

KLC is seeking an assessment of Kentucky's current educational infrastructure to determine if its current system of training and certifying paramedics is serving the needs, capable of keeping up with demand, and working for the overall safety of the public.

Mayor Les Stapleton, City of Prestonsburg, said that skilled and knowledgeable people in paramedic positions is important. His city is able to offer retirement, other benefits, and better pay to attract and keep personnel. The private industry does not provide enough personnel. Prestonsburg must call Paintsville and Pineville for mutual aid. Prestonsburg emergency responders can be at a scene within three minutes. Once they have prepared the injured for transport, they then wait a long time for the ambulance to arrive for transport to the hospital.

The City of Prestonsburg applied for a certificate of need (CON) to provide its own ambulance service on January 24, 2020, but cannot get a hearing on the application. The Cabinet for Health and Family Services simply takes the applications in order, with no process in place for emergency situations. Local governments should be able to declare an emergency situation and bypass the CON process to get qualified service providers to serve the government. Cities urge legislators to establish an emergency calls CON bypass process for communities that are suffering because of inadequate response time. There is value in the CON process, but local governments sometimes need these emergency services to be approved more quickly.

Senator Nemes commented that there is a need for CONs and that the red tape should be reduced. The Bullitt County Judge/Executive started an apprenticeship program for EMTs that may benefit other localities.

In response to a question from Representative Miller, Mayor Stapleton stated that he would advocate for KEES money to be used for EMS programs that are conducted in facilities other than in Kentucky universities or colleges.

Senator Wheeler commented that the paramedic shortage is definitely impacting the safety of rural citizens.

In response to a question from Senator Wheeler, Mayor Stapleton said that volunteer firefighters are valuable, in that most become EMTs through the fire service and will work with ambulance services. Making it financially viable for them to continue to become EMTs is helpful.

Senator Alvarado noted that Kentucky was one of around four states that conducted CONs and that there is a proposal to conduct a nonsubstantive review of the CON process to be undertaken and that this may serve to provide some suggestions for improvements to the process.

Mr. Chuck O'Neal, Deputy Director of Administration, Kentucky Board of Emergency Medical Services (KBEMS) said that Kentucky, as well as states across the nation, are experiencing a shortage of appropriately trained and credentialed EMTs and paramedics. Lack of EMS personnel availability on ground ambulances places the health and safety of the citizens of Kentucky at risk, also reducing the capacity of ground ambulance availability for interfacility transfers. A recent study by KBEMS shows that while over 14,500 EMS professionals are certified and licensed in Kentucky, only approximately half of these individuals are employed by a ground ambulance service.

In 2018, KBEMS, in collaboration with the KBEMS Education Committee and the KAFC, formed a paramedic accreditation task force to allow for the flow of information across paramedic educational programs. One of the work products of this task force was to survey certified and functioning EMTs in Kentucky, and to identify perceived barriers to completing paramedic education. The top five barriers identified, in order of response, were work and school schedules conflicts; no desire to become a paramedic; time commitment or length of service; little increase of pay or incentive pay; and lack of financial aid availability.

To better understand provider turnover and conduct provider retention efforts, KBEMS began studying EMS attrition in 2016. The top five reasons for allowing an EMS license or certification to expire in 2016 were, in order of response, retirement; low salary or poor benefits package; relocation of residence; external factors, such as not being one's choice to leave EMS; and poor management or hostile workplace. Additional years of attrition reports were included in the information presented to the committee.

Ground ambulance services operated in both the public and private sector are having significant difficulty competing with hospitals for paramedics. Hospitals are offering sign-on bonuses and hazard pay that local governments simply cannot afford.

KBEMS suggests the following actions be taken: earmark additional dollars bolstered from 2018 House Bill 8 dealing with Medicaid reimbursement by local governments to enhance EMS salaries, benefits, and student loan forgiveness programs; consider non-traditional work schedules; evaluate upward mobility options for EMS staff,

especially in rural agencies, but as well as in suburban ones; and support federal and state student loan forgiveness programs for EMS personnel.

A 2019 Kentucky EMS salary survey noted the following starting EMS salaries in Kentucky: average entry level pay for EMTs was \$11.88; \$13.30 for AEMTs; and \$15.62 for paramedics. It is apparent that, nationally, EMS providers are no longer willing to work for the compensation packages available. Local governments must find revenue streams to significantly enhance EMS salary and benefit packages to remain competitive.

Additional areas of action include provision of childcare assistance; provision of EMS mental health services; provision of wellness initiatives; consideration of alternative retirement plans; evaluation of alternative accreditation programs for EMS educational programs; and provision of educational and financial incentives for continued work in the ground ambulance sector.

In response to a question from Senator Alvarado, Mr. O'Neal stated that the regulation to allow other staff to ride along in ambulances was removed because it is allowed through federal law, which supersedes state law, rendering the state regulation unnecessary.

In response to a question from Representative Meredith, Mr. O'Neal said KBEMS endorses the use of KEES money being used for EMT programs that are not within the traditional college and university system.

In response to another question from Representative Meredith, Mr. Michael Poynter, Executive Director of KBEMS, stated that emergency regulations were implemented last year, because of COVID, to allow inactive or retired paramedics to be recertified without charge and testing and to come back to work. The process is presently closed, but could be reopened if necessary.

Representative Meredith commented that if there continues to be a shortage of paramedics, then retirees should still be allowed to come back to work, not just due to COVID.

There being no further business, the meeting was adjourned at 12:45 p.m.