



TESTIMONY BEFORE THE SUNSET COMMISSION ON DSHS ISSUE 4.2

By Fidel Baldazo, Vice President of the Texas Ambulance Association

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My name is Fidel Baldazo. I am the President of Gemini Ambulance Service and Vice President of the Texas Ambulance Association. I'm testifying for TAA on DSHS recommendation 4.2. The Texas Ambulance Association is the oldest and largest association representing ambulance providers across the state. We appreciate the hard work of the Commission's staff in examining the function of the Department of State Health Services and suggesting changes in the statute to improve efficiency, protect the public, and reduce fraud in our industry. Our testimony will provide you with information on the impact of implementing the recommendations on businesses and suggestions for improving the changes.

TAA supports the concept of issue 4.2 that would require an EMS provider to show proof of ownership of equipment. Fraudulent ambulance providers are known to borrow pieces of major equipment to show DSHS during an initial inspection of the business. Some ambulance providers have also tried to deceive inspectors by moving a piece of equipment from one ambulance to another when they don't have enough of a critical piece of equipment for all their licensed ambulances.

Currently, DSHS by rule requires an ambulance provider to show proof of ownership or long-term lease of all the ambulances licensed by the company. However, the change in law as proposed requires a company to provide proof for "all equipment necessary for the safe operation



of an EMS company.” All is an absolute term. Obviously, an ambulance needs to have many things on it which are critical for safely treating and transporting sick and injured patients to care. Some of these things are consumable some are not. Non consumable items might last for several years. So what will constitute “all” equipment.

Our industry is extremely paper intensive. Imagine a service that transports 25,000 patients per year. Each run requires anywhere from 4 to 10 pieces of paper per transport. Receipts for equipment are kept for two main reasons, for warrantee purposes and in case of an IRS audit. Warrantees are anywhere from 1 to three years and the IRS can go back five years. After that, this information is typically disposed of to reduce the amount of paper that is stored.

The services more likely to commit fraud are those who have not been in business very long. Those services that have survived more than five years may have difficulty in producing receipts for “all” equipment. Thus, possibly creating serious issues for the majority of well established ambulance services in finding the invoices for “all” the equipment purchased during that time.

We think that three key questions must be answered: 1) what constitutes proof of ownership or long-term leases for equipment; 2) how will services without receipts or invoices prove that they actually possess and own their equipment; and 3) will there be an inspection process in the case where there is no proof other than the equipment itself?

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