



THE PRICE OF A PANDEMIC

THE ECONOMIC IMPACT OF COVID-19 ON
EMERGENCY MEDICAL SERVICES



The overwhelming impact of the COVID-19 pandemic has not spared EMS. Quite the opposite—EMS and Fire departments continue to deal with grueling challenges since Severe Acute Respiratory Syndrome Coronavirus 2 exploded into the public sphere in early 2020.

While the health impact of COVID-19 has been destructive in many communities across the globe, the economic impact has hit EMS especially hard as well. Per an ongoing [survey](#) administered by the International Association of Fire Chiefs (IAFC), Fire and EMS agencies increased spending nearly 30% on COVID-related expenses.

And increased spending is just the beginning.

PPE AND OTHER SURGING EXPENSES

Early in the pandemic, headlines proliferated about healthcare personnel lacking adequate PPE to protect themselves and patients. Distressing stories emerged with tales of workers being forced to reuse disposable masks and even viral photos of nurses donning garbage bags as healthcare providers experienced PPE shortages.

EMS personnel were no strangers to rigorous PPE usage pre-pandemic, but this highly contagious virus has put emphasis on existing protocols, with every call treated as a potential exposure. While many agencies received donations from local businesses, community groups, and private citizens, PPE was also made available to support response needs via the Strategic National Stockpile (SNS). [Per IAFC](#), 68.9% of Fire & EMS agencies requested PPE from the SNS, and all requests were granted.



OF FIRE AND EMS AGENCIES
REQUESTED PPE FROM THE
STRATEGIC NATIONAL STOCKPILE

PPE is not the only expense that has surged during the pandemic. Additional training, intensified decon protocols and new decontamination equipment, hazard pay—all these and more add to the spending strain. In April, EMS providers in Wisconsin implored the governor for help, saying that COVID-19 was “adding over \$20 to the cost of every ambulance response” because of the need for employee health screenings, decontamination procedures, and added equipment ([Letter](#)). For agencies that face difficulty breaking even on the cost of runs, that extra cost is devastating.



COVID-19 is adding \$20 to the cost of every ambulance response.



– Wisconsin EMS Providers

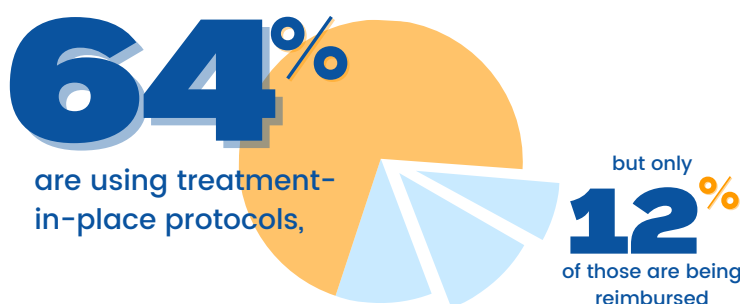
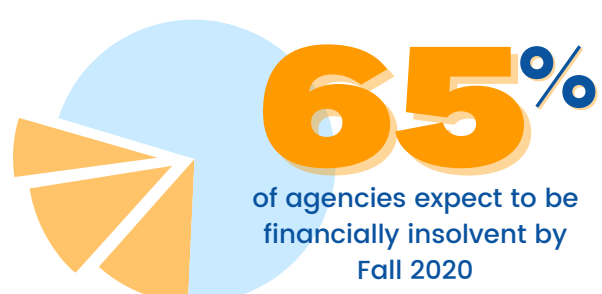


DECLINING CALL VOLUMES AND TRANSPORTS

Beginning in the spring, declining call volumes and declining transport numbers added a double-whammy to the increased cost of each response. The irony is that under our current reimbursement model in the United States, ambulance services don't necessarily get paid unless they transport patients. So EMS agencies whose revenue depends on transport volume have had even fewer chances to recoup costs, which can be a challenge in the best of times.

Guillermo Fuentes of Fitch & Associates [writes](#), "A non-scientific poll of the Fitch client base indicates a 30% to 50% decline in call volume. This reality is partly driven because of social consciousness (people don't want to go to the hospital unless they are really sick) and partly because of new call avoidance mechanisms put in place by the industry, such as telemedicine and screen first protocols."

A [NAEMT survey](#) with nearly 900 responses from EMS leaders paints a stark picture of the impact: two-thirds of responding EMS agencies expect to be financially insolvent by Fall 2020. "Agencies are incurring unplanned expenses for PPE and overtime pay, the NAEMT notes, without being reimbursed for its additional care and costs. At the same time, 9-1-1 calls have fallen dramatically, further reducing essential revenue when it's needed most."



ECONOMIC CHALLENGES FOR LOCAL COMMUNITIES

Economic challenges for EMS arise not just because of these direct factors like increased expenses and decreased volumes. Chief Steve Pegram of Goshen, Ohio, [pointed out](#) in April that local governments are taking funding hits through the loss of sales tax and income tax, and even if those are not direct funding sources for EMS: “What happens when city/town councils facing budget deficits cut across the board, as we are already seeing in some communities after less than a month of the ‘Stay Home’ orders?”

Even as local businesses re-open, there are still longer-term concerns such as property tax defaults, which will affect municipal budgets and could have an effect on EMS funding. Many funding sources that do not come directly from the agency’s revenue, such as tax levies, are at risk when the economy falters.

LACK OF REIMBURSEMENT FOR TREATMENT-IN-PLACE

Private services are also feeling the revenue struggle. Empress EMS, based in the Bronx and Westchester County in New York, treated 1,200 patients without transporting them over the course of a month this spring, compared with 179 people during the same month last year. Because of CMS restrictions on reimbursing ambulance services for treatment-in-place, that cost Empress EMS \$700,000 in revenue. Another private agency, Superior Air-Ground Ambulance Service, lost over \$300,000 in Michigan and Indiana as a result of treating patients without transporting them to hospitals in between March 1 and April 27, resulting in salary reduction and overtime cuts.

\$1.8B

IN EMS LOSSES FOR
2021, PROJECTED
BY THE IAFC

MedStar Mobile Healthcare out of Texas expects \$6.5 million in lost revenue between March and September 2020 ([WSJ](#)). The IAFC’s COVID-19 Fire & EMS Economic Impact [survey](#) reports a staggering \$1.6 billion in respondents’ budget loss for 2020 at the time of this publication, and a projected \$1.8 billion loss for 2021.

The negative impact of these huge losses cannot be understated. It also highlights an ongoing challenge for EMS agencies that has peaked along with COVID-19: the lack of CMS reimbursement for treatment in place and transport to alternative destinations.

The new Emergency Triage, Treat, and Transport (ET3) payment model seeks to address this, but ironically, the program has been delayed because of the pandemic. Industry groups have implored elected officials for help, and as of June 2020, a request letter sponsored by U.S. House Representatives has been circulating in Congress. By the time action is taken, unfortunately, it will be too little too late for many EMS agencies.

THE EMOTIONAL TOLL

The COVID-19 pandemic has another hidden cost that the EMS industry is incurring: its emotional toll.

Recruitment and retention have long been obstacles for EMS agencies. EMTs face high expectations, risks, and responsibilities, for low pay. EMTs often move on to other paths in healthcare or first responder careers. Burnout is common. Many agencies and EMS leaders developed proactive initiatives to address these issues—but that was pre-pandemic. Now, the challenges have only escalated the emotional cost of COVID-19.

EMS providers face stress and trauma even in the best of times. During COVID, we encourage first responders to reach out whenever there's a need.

National Suicide Prevention Lifeline

(800) 273-8255; Text: (800) 799-4889

Code Green Campaign

<https://codegreencampaign.org/>

Share the Load Fire/EMS Helpline

(888) 731-FIRE (3473)



New York EMS Capt. AJ Briones compared the experience of the peak of the pandemic to a mass casualty incident in [this NBC interview](#). Even as new cases have eased in his area, there's still the fear of a second wave to deal with, as well as the effects of the trauma experienced by medics in the field. "Paramedical professionals already have excessively high burnout and suicide rates attributed to the stressors we experience in the performance of a profession we deeply love," [wrote](#) John Todaro for EMS World. "Yet as we work hand in hand with our fellow healthcare providers to support our communities and fight the devastation caused by COVID-19, we may neglect our own well-being. I fear this sacrifice will have long-lasting devastating effects on my professional brothers and sisters."

Chronic stress takes a mental, physical, and emotional toll. And there's a cost for the agencies that these overburdened EMTs and paramedics serve. Understaffing and absenteeism are concerns. EMS workers are putting in long, exhausting hours, which can lead to a higher sick leave rate. Those with the opportunity to retire may choose to retire early, given the current environment. And that leaves agencies even more strapped in a time of stretched financial resources.

The agency is only as strong and healthy as the individuals within it. Sadly, some of the more devastating long-term psychological effects of COVID-19 on EMS workers will be emerging for a long time.

STEPPING IN TO HELP

To battle the unprecedented challenges that COVID-19 continues to produce, Fire and EMS agencies have had to dig deep. Thankfully, the industry is already known for resilience and maximization of all resources.

As a third-party billing service partner to EMS and Fire Departments, Digitech is able to be one of those resources. The largest area where we've made a difference has been with the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#). When this act was signed into law in late March, we jumped into action. Our EMS and Fire Department clients needed help, and we were uniquely positioned to help maximize their chances to receive this critical funding, just as we maximize collections for clients on a regular basis.



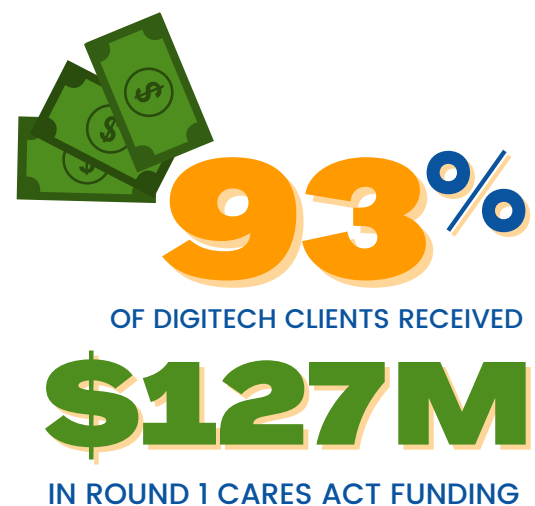
“While we would never wish this COVID crisis on anyone, we have taken the opportunity to connect with many of our clients and be of assistance.”

*-Walt Pickett
COO, Digitech*

“While we would never wish this COVID crisis on anyone, we have taken the opportunity to connect with many of our clients and be of assistance,” says Walt Pickett, Digitech’s COO who leads the team conducting client outreach and support.

For first round of CARES Act funding, Digitech assisted clients with determining the estimated funding amount expected, and paused our balance billing as required by the terms and conditions. Ninety-three percent of our clients applied and received Round 1 CARES Act funding, collecting approximately \$127 million.

Round 2 has proven to be more complex. Funding applicants were required to report the loss of revenue due to COVID for March-April and also provide additional audited financial data. Digitech analysts produced revenue loss reports for every client, identified revenue from recently audited financials, and estimated their CARES Act funding amounts for this round. In Round 2, 41% of our clients went through the application process. HHS continues to pay out funding, and to date, our clients have collected approximately \$4 million in Round 2.



A third CARES Act funding source allow EMS agencies to obtain payment from HHS at the Medicare approved rate (which includes the co-insurance portion) for uninsured COVID-positive patient claims. While this presents challenges for EMS agencies who aren't testing in the field, a portion of our clients are pursuing this opportunity. We've assisted with identifying and tagging COVID-positive patients in our billing platform, and we created a specialized function to collect and upload these claims to HHS to obtain a special member ID so the claims can be billed and paid.

We're continuing to help where we can; for example, we created an innovative symptom map that allows clients to see COVID-related cases based on origin location of claims, and we've worked in COVID-related filtering criteria into our reporting solutions. We're regularly reaching out to our clients to offer assistance, and [publishing up-to-date information about industry resources](#).

EMS is already a challenging, essential, and sometimes heartbreaking field. At Digitech, we are honored and humbled to be able to assist our partners, clients, and friends with resources and support for combatting the devastating effects of COVID-19. We're all in this together.



Digitech is a leading provider of advanced billing and technology services to the EMS transport industry. Since its founding in 1984, Digitech has refined its software platform to create a cloud-based billing and business intelligence solution that monitors and automates the entire EMS revenue lifecycle. Digitech leverages its proprietary technology to offer fully outsourced services that maximize collections, protect compliance, and deliver results for clients. For more information, visit digitechcomputer.com.

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