NORTH Dakota | Health
Be Legendary.™

House Bill 1268
Finance and Taxation Committee
March 11, 2019, 10:00 a.m.

Good morning Chairman Cook and members of the Committee. My name is Chris Price and I am the Director of the Division of Emergency Medical Systems for the North Dakota Department of Health (NDDoH). I am here to provide testimony in opposition to House Bill 1268.

Beginning in 2007, the legislature provided funding to the Department of Health to support rural ambulance services. This funding has been used to provide grants to individual ambulance services in funding areas for staffing, equipment, utilities, and other expenses related to operations. The way the funding has been distributed has varied from year-to-year to address identified needs and encourage cooperation among ambulance services. During the most recent interim session, the Government Administration Committee heard testimony from some members of the EMS community who were concerned with the 2017 funding distribution formula. In response, a sub-committee of the Emergency Medical Services Advisory Council (EMSAC) was formed to make recommendations regarding the distribution of rural EMS grant funds for the 2018–2019 fiscal year.

This sub-committee, known as the Rural EMS Assistance (REMSA) Committee, met two times prior to the beginning of the fiscal year and developed a funding distribution formula that included the establishment of revenue and expense models based on run volumes and then compared that amount to the actual revenue and expenses of each applicant for funding. Grant funding was then allocated to cover a percentage of the difference. This distribution formula was reviewed by the EMSAC and implemented by the Department of Health.

The REMSA and EMSAC committees continued to meet to further refine the distribution formula for the 2019-2021 biennium. The committees developed and approved a revised formula in principle but anticipated making further refinements before implementation on July 1, 2019. It was not anticipated that the work completed by the committees would be codified into law at this

time. If House Bill 1268 is passed into law without amendment, the REMSA and EMSAC committee work could not continue to make the critical refinements and adjustments needed before implementation. We have identified the following areas of concern with the bill as it currently exists:

- The bill permits counties to increase funding for ambulance services up to 15 mills from the current mill limit of 10. The bill does not provide that same ability for rural ambulance districts. We recommend extending the 15 mill limit to rural ambulance districts.

- The bill requires the use of ambulance run data from specific dates to calculate the fund distribution. Due to the implementation of a new statewide EMS data collection system, data does not exist for a portion of the specified time. We recommend the most recent two years of available run report data be used as gathered by the NDDoH rather than indicating the specific data identified in the bill.

- There is no ability to adjust the funding distribution to correct for unintended consequences. We recommend the NDDoH be permitted to make discretionary adjustments in the funding distribution.

- Registration with the ND Secretary of State is required for funding eligibility. The North Dakota Secretary of State has multiple forms of registration. It is not clear in the language which registration is required. Also, we are not aware of a registration type that can be obtained for ambulance services owned and operated by governmental entities such as cities, counties or any of their departments. There are approximately 20 ambulance services out of 120 that currently are not registered. We recommend defining the required registration in the bill and exempting governmentally owned and operated services or eliminating the registration requirement.

- Funding cannot be reallocated to other services in need when services that were awarded grants either decline the award or fail to follow through with reimbursement requests. We recommend the NDDoH be

permitted flexibility to reallocate funds to other ambulance services in need when these or similar circumstances exist.

- The bill is unclear regarding what types of entities are eligible. The bill provides funding to "eligible emergency medical services operations" but does not define who is "eligible." As the bill does not repeal any existing language that defines "emergency medical services operations," we believe the bill increases eligible services to include the existing ground ambulance services but expands eligibility to include air ambulance services, quick response units and industrial services. We do not believe it is necessary or appropriate to include the expanded services. We recommend that the bill clearly define who is eligible or permit the NDDoH flexibility to define eligibility.

- The bill does not provide a buffer in the level of reductions. Applying the funding formula using current data would result in the reduction of funds for 69 ambulance services. Fifty-two services would have reductions of 30 percent or more. Twenty-five services currently receiving funding would receive no funding. We recommend that NDDoH be permitted flexibility to offset sudden and substantial funding reductions. The NDDoH would continue to rely on input from the REMSA and EMSAC committees in making these adjustments.

- Applying the formula using current data appears to reduce the amount distributed by approximately $1 million per year. We recommend the NDDoH be permitted to adjust the dollar amounts contained in the formula to fit the amount of funds appropriated.

In closing, we all share a common goal of stabilizing rural EMS. This bill in its current form may not accomplish that. Thank you for the opportunity to testify. I am happy to answer any questions you may have.