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Testimony  
House Bill 1294  
Senate Human Services Committee  
Monday, March 20, 2023  
North Dakota Emergency Medical Services Association

Good morning, Madam Chair and members of the committee. My name is Adam Parker with the North Dakota Emergency Medical Services Association. The Association supports HB 1294.

Ambulance services are funded primarily through insurance reimbursements, local tax support, and state support. This bill represents the formula that determines how state support is distributed to each service. The formula has remained largely unchanged since 2019. Each biennium stakeholders contemplate various changes to the formula, but in the end determine a consistent formula is better than continually altering it since there are always winners and losers with any change.

The formula first determines a “minimum reasonable budget” for operating an ambulance service. This is determined by multiplying the average call volume for the service by the average expense per call. Here, we calculate the cost per call to be \$1,750 based on data submitted to the state in the most recent grant cycle. The floor for the minimum reasonable budget is \$60,000 since the above calculation does not adequately represent costs for the lowest call volume services.

Once the reasonable budget is determined, the formula subtracts two of the primary funding sources from the reasonable budget – insurance reimbursement and local tax support.

Insurance reimbursement is determined based on multiplying the average call volume by the average reimbursement, which was also determined based on data submitted to the state in the most recent grant cycle. Here, that number is \$750 per call.

The local tax support is determined based on the property tax valuation of the agencies service area multiplied by five mills. Property taxes are the primary source of local funding for ambulance services across the state. The formula assumes the service levies five mills, regardless of the local support actually received by the service.

Once the insurance reimbursement and local tax support is determined, the product of those numbers are subtracted from the minimum reasonable budget. The resulting number is the eligible grant amount, subject to the appropriated amount. The last grant was prorated and only 29% of the agencies eligible grant amount was distributed to the agency.

Lastly, ambulance services that exceed an average call volume of 700 are excluded from the grant. This is an imperfect solution to the problem that the grant needs to end somewhere. The 700-call volume cut off, which has been in place since the inception of the formula, assumes

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these services no longer need state support because they can be funded exclusively on insurance reimbursements and minimal local support.

The only change in the formula from the previous biennium is setting the average cost per call and reimbursement per call. This was previously determined by data submitted to HHS from agencies. This resulted in uncertainty to what the numbers would ultimately be and delays in the grant distribution. This change will hopefully streamline the grant cycle and result in greater predictability.

The House added an amendment deferring the service areas taxable valuation calculation if new area has been acquired due to a neighboring ambulance closure. The Association strongly supports this change. The local tax support calculation in the formula is determined based on the ambulance service area. When an ambulance closes the neighboring ambulances are reallocated the service area. This increase in area equates to an increase in property valuation resulting in a decreased eligible grant amount. This only exacerbates the stress placed on neighboring services when an ambulance closes. The change allows for a delay in the new area being calculated in the grant to allow the agencies time to establish local tax support in the newly acquired area.

Lastly, the Association requests an amendment to raise the minimum reasonable budget to \$125,000 and cap the total grant calculation at \$225,000. The attached document shows a projection of the grant calculation per service. As you can see, the largest ambulances receive significant annual funding with many small services seeing little to no funding. We feel the proposed amendments would ensure the smaller services are adequately factored into the grant calculation.

Thank you for the opportunity to testify, I would be happy to answer any questions you may have.

| <b>Grantee Name</b>                            | <b>Grant Amount<br/>(current bill)</b> | <b>Grant Amount<br/>(w/ Amendments)</b> | <b>2021-2022<br/>(Annualized)</b> |
|--|--|---|-----------------------------------|
| Almont Ambulance Service                       | \$ 39,734.28                           | \$ 104,734                              | \$ 15,068                         |
| Ashley Ambulance Service                       | \$ 108,191.82                          | \$ 108,192                              | \$ 51,151                         |
| Belfield Ambulance Service Inc.                | \$ -                                   | \$ -                                    | \$ 6,433                          |
| Berthold Ambulance Service, Inc.               | \$ -                                   | \$ -                                    | \$ 8,534                          |
| Billings County Ambulance Service              | \$ 165,863.15                          | \$ 165,863                              | \$ 68,870                         |
| Bottineau Ambulance Service                    | \$ 287,075.01                          | \$ 225,000                              | \$ 106,150                        |
| Bowbells Ambulance Service                     | \$ -                                   | \$ 63,993                               | \$ 11,329                         |
| Bowdon Ambulance Service District              | \$ -                                   | \$ 56,562                               | \$ 12,541                         |
| Carrington Health Center Ambulance             | \$ 110,376.45                          | \$ 110,376                              | \$ 52,346                         |
| Casselton Ambulance Service, Inc.              | \$ -                                   | \$ 65,125                               | \$ -                              |
| Cavalier Ambulance Service, Inc.               | \$ 290,408.81                          | \$ 225,000                              | \$ 107,211                        |
| Community Ambulance Service of New Rockford    | \$ 69,333.88                           | \$ 69,334                               | \$ 39,363                         |
| Community Ambulance Service, Inc. - Beach      | \$ 71,790.03                           | \$ 71,790                               | \$ 40,160                         |
| Community Volunteer EMS of LaMoure             | \$ 5,484.79                            | \$ 5,485                                | \$ 20,167                         |
| Cooperstown Ambulance Service                  | \$ 144,016.50                          | \$ 144,017                              | \$ 62,220                         |
| Divide County Ambulance District               | \$ -                                   | \$ -                                    | \$ 16,458                         |
| Drayton Volunteer Ambulance Association        | \$ 58,418.88                           | \$ 58,419                               | \$ 35,982                         |
| Edgeley Ambulance Service                      | \$ -                                   | \$ 8,550                                | \$ 16,140                         |
| Ellendale Community Ambulance Service          | \$ 64,329.41                           | \$ 64,329                               | \$ 37,921                         |
| Emmons County Ambulance                        | \$ 176,487.73                          | \$ 176,488                              | \$ 72,590                         |
| Fessenden Ambulance Service                    | \$ -                                   | \$ 25,304                               | \$ 12,698                         |
| First Medic Ambulance of Ransom County, Inc.   | \$ 420,091.80                          | \$ 225,000                              | \$ 146,578                        |
| Flasher Ambulance Service                      | \$ -                                   | \$ 54,727                               | \$ 10,141                         |
| Gackle Ambulance Service                       | \$ 14,680.36                           | \$ 14,680                               | \$ 22,720                         |
| Garrison Ambulance District                    | \$ 423,828.95                          | \$ 225,000                              | \$ 147,381                        |
| Glen Ullin Ambulance Service                   | \$ 102,028.05                          | \$ 102,028                              | \$ 49,256                         |
| Halliday Fire Protection District              | \$ 21,580.12                           | \$ 23,205                               | \$ 24,757                         |
| Hankinson Ambulance District/Volunteer Service | \$ 53,809.22                           | \$ 53,809                               | \$ 34,795                         |
| Harvey Ambulance Service, Inc.                 | \$ 106,842.47                          | \$ 106,842                              | \$ 51,396                         |
| Hebron Ambulance Service                       | \$ 29,301.58                           | \$ 29,302                               | \$ 27,086                         |
| Hunter Ambulance Service                       | \$ -                                   | \$ -                                    | \$ -                              |
| Kenmare Ambulance Service                      | \$ 13,418.95                           | \$ 13,419                               | \$ 22,392                         |
| Kidder County Ambulance Service                | \$ 149,617.55                          | \$ 149,618                              | \$ 63,820                         |
| Killdeer Area Ambulance Service Inc            | \$ 313,028.11                          | \$ 225,000                              | \$ 114,532                        |
| Kulm Ambulance Corps, Inc.                     | \$ -                                   | \$ 27,417                               | \$ 10,158                         |
| Lakota Ambulance Service                       | \$ 39,260.85                           | \$ 39,261                               | \$ 30,166                         |
| Langdon Ambulance Service                      | \$ 30,912.76                           | \$ 30,913                               | \$ 28,333                         |
| Leeds Ambulance Service                        | \$ -                                   | \$ 15,688                               | \$ 17,749                         |
| Lidgerwood Rural Ambulance Service District    | \$ 38,489.62                           | \$ 38,490                               | \$ 29,905                         |
| Maddock Ambulance Service, Inc.                | \$ 25,505.73                           | \$ 26,256                               | \$ 25,935                         |
| Mandaree EMS                                   | \$ 92,443.38                           | \$ 92,443                               | \$ 46,417                         |
| Marmarth Ambulance Service, Inc.               | \$ 32,959.07                           | \$ 97,959                               | \$ 13,569                         |



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| McHenry Ambulance Service                        | \$ 3,380.35   | \$ 68,380  | \$ 9,471   |
| Mcville Community Ambulance Service              | \$ 61,958.35  | \$ 61,958  | \$ 37,197  |
| Medina Ambulance Service                         | \$ -          | \$ 9,710   | \$ 14,637  |
| Mercer County Ambulance Service Inc. -- Beulah   | \$ 59,566.04  | \$ 59,566  | \$ 37,343  |
| Mercer County Ambulance Service Inc. -- Hazen    | \$ 175,516.25 | \$ 175,516 | \$ 72,582  |
| Michigan Area Ambulance Service                  | \$ 19,329.67  | \$ 19,330  | \$ 24,093  |
| Mohall Ambulance Service                         | \$ 90,388.71  | \$ 90,389  | \$ 45,987  |
| Mott Ambulance Service                           | \$ 24,770.07  | \$ 24,770  | \$ 25,778  |
| Munich Ambulance Service                         | \$ -          | \$ 50,621  | \$ 1,775   |
| Napoleon Ambulance Service                       | \$ 102,752.46 | \$ 102,752 | \$ 49,449  |
| New England Ambulance Service                    | \$ 5,709.20   | \$ 5,709   | \$ 20,017  |
| New Leipzig Ambulance Service                    | \$ 49,129.69  | \$ 49,130  | \$ 33,253  |
| New Salem Ambulance Service                      | \$ 64,764.35  | \$ 64,764  | \$ 37,990  |
| Northwood Ambulance Service                      | \$ 104,293.10 | \$ 104,293 | \$ 50,134  |
| Oakes Volunteer Ambulance Service                | \$ 326,939.80 | \$ 225,000 | \$ 117,744 |
| Oliver County Ambulance                          | \$ 7,497.86   | \$ 32,748  | \$ 20,477  |
| Page Ambulance Service                           | \$ -          | \$ 46,360  | \$ -       |
| Park River Volunteer Ambulance Service, Inc.     | \$ 225,563.03 | \$ 225,000 | \$ 87,033  |
| Parshall Ambulance Service                       | \$ 211,009.88 | \$ 211,010 | \$ 82,490  |
| Pembina Ambulance Service, Inc.                  | \$ 14,599.79  | \$ 34,600  | \$ 22,618  |
| Plaza Ambulance Service                          | \$ 16,469.19  | \$ 81,469  | \$ 16,033  |
| Portal Ambulance Service                         | \$ -          | \$ 42,800  | \$ 8,420   |
| Powers Lake Ambulance Association                | \$ -          | \$ 47,392  | \$ 16,668  |
| Regent Ambulance Service                         | \$ -          | \$ 62,598  | \$ 15,669  |
| Richardton-Taylor Ambulance Service              | \$ 48,940.21  | \$ 48,940  | \$ 33,213  |
| Riverdale Ambulance Service                      | \$ -          | \$ 53,115  | \$ 17,324  |
| Rock Lake Ambulance Service                      | \$ 5,981.75   | \$ 70,982  | \$ 8,928   |
| Rolette Ambulance Service, Inc                   | \$ 93,008.24  | \$ 93,008  | \$ 46,444  |
| Rugby Emergency Ambulance Service                | \$ 294,793.39 | \$ 225,000 | \$ 108,333 |
| Sanford Hillsboro Ambulance Service, Inc.        | \$ 62,225.64  | \$ 62,226  | \$ 38,168  |
| Sargent County Amb Service - Forman              | \$ -          | \$ -       | \$ 16,941  |
| Sargent County Ambulance Service - Milnor        | \$ 36,081.67  | \$ 36,082  | \$ 29,360  |
| Southwest Healthcare Services (Bowman Ambulance) | \$ 112,818.22 | \$ 112,818 | \$ 53,058  |
| Tioga Fire Dept. & Ambulance Service             | \$ -          | \$ -       | \$ -       |
| Towner County Ambulance Service Inc. - Cando     | \$ 16,897.07  | \$ 16,897  | \$ 23,539  |
| Underwood Ambulance Service                      | \$ 63,889.00  | \$ 63,889  | \$ 37,448  |
| Walhalla Ambulance Service                       | \$ 102,904.44 | \$ 102,904 | \$ 49,454  |
| Washburn Volunteer Ambulance Service, Inc.       | \$ 36,291.68  | \$ 36,292  | \$ 29,397  |
| West River Ambulance Service                     | \$ 302,113.17 | \$ 225,000 | \$ 110,160 |
| West Traill Ambulance Service, Inc.              | \$ 245,697.36 | \$ 225,000 | \$ 93,380  |
| Westhope Ambulance Service                       | \$ -          | \$ -       | \$ 17,898  |
| White Shield EMS                                 | \$ 58,407.67  | \$ 58,408  | \$ 35,901  |
| Wilton Rural Ambulance District                  | \$ 41,015.68  | \$ 41,016  | \$ 30,760  |
| Wing Rural Ambulance                             | \$ 29,108.51  | \$ 94,109  | \$ 23,518  |
| Wishek Ambulance Service                         | \$ 105,280.14 | \$ 105,280 | \$ 50,300  |
| Wyndmere-Barney Rural Amb Dist                   | \$ 27,716.27  | \$ 27,716  | \$ 26,698  |