



2023 House Bill 1365
Senate State and Local Government Committee
Senator Kristin Roers, Chairman
March 23, 2023

Chairman Roers and members of the Senate State and Local Government Committee, I am Pete Antonson, Chief Financial Officer and former CEO of the Northwood Deaconess Health Center in Northwood, North Dakota. I testify today on behalf of the North Dakota Hospital Association (NDHA).

I testify in soft opposition to Engrossed House Bill 1356. We would like to propose an amendment to the engrossed bill and, with that amendment, we would not be opposed. We ask that a hospital-owned emergency medical service (EMS) operation be added to list of entities that would be exempt.

We understand that the purpose of the engrossed bill is to ensure the financial viability of EMS operations and the ambulance service they provide to rural communities by requiring all such operations that do not already have one to create a rural ambulance service taxing district. The taxing district would then fund the EMS operation.

Today, numerous entities provide ambulance services. Such entities include community nonprofit organizations, local government, hospitals, and private nonhospital organizations. We believe hospital-owned EMS operations belong with the other entities that are exempt from the requirements of this bill, such as city or county owned operations. When owned by a hospital, the viability of an EMS operation is less concerning and is more in line with that of the exempt entities. A hospital provides stability and accountability in the financing and staffing of such an operation.

Requiring a taxing district to be created for every EMS operation would create problems for hospital-owned operations in several ways. For example, a taxing district board of directors is required to oversee the operation. This would create an inherent conflict with the hospital board of directors. When a hospital owns and operates an EMS operation, it has

control over the assets, insurance, billing, etc. Hospital governance structure conflicts with the statutory duties of the district board. For example, a district board of directors is responsible for executing contracts in the name of and on behalf of the district with regard to an EMS program and purchasing or leasing ambulances, or other emergency vehicles, supplies, and other real or personal property necessary to carry out the EMS program of the district. It is unclear how a district board could fulfill its duties for an operation which is controlled by the hospital's board of directors.

Additionally, a hospital may already have a taxing mechanism in place. For example, some hospital owned EMS operations in North Dakota get county funding already. Would this bill jeopardize those arrangements? Would it mandate that a second tax now be imposed?

For these reasons, we are concerned about how the bill would negatively affect hospital-owned EMS operations. If the bill could be amended to exempt hospital-owned EMS operations, we would have no objection to the bill. I would be happy to respond to any questions you may have. Thank you.

Respectfully Submitted,

Pete Antonson, CFO
Northwood Deaconess Health Center