

Wayne Reid

Written Testimony In Support of HB 1339

January 20, 2025

Honorable Chairman Ruby and Committee,

My name is Wayne Reid and I am the CEO of Langdon Prairie Health in Langdon, North Dakota.

I am testifying in support of HB 1339 that would exempt licensed ambulance services owned and operated by a hospital from the mandate to establish an ambulance district.

When I first assumed responsibility for the Hospital in Langdon, I was told by my Board Chair and my EMS director that the recently passed HB 1365 would require us to establish an ambulance district. Further, I was told that grant funding was available to hire a consultant who could assist in the establishment of the district.

A few of the things I was told by both my EMS director and the Consultant:

1. This was simply a formality
2. It would have little to no impact on current ambulance operations.
3. That the ambulance district would be required to contract with the existing licensed ambulance service.
4. The new district would not impact existing mill levy funds

After reading the legislation, I found that this was far from a benign exercise and that none of those items were actually in the century code.

I found that HB 1365 appeared to be enacting legislation that mandated certain ambulance services to establish ambulance districts. The districting regulations, which were first introduced in 1977, allow for the formation of Ambulance Districts and provide broad authority to the Ambulance District Board to operate ambulance services. There is nothing in either the enacting legislation mandating the formation of the district or the original legislation that defined ambulance district operations that requires them to contract with the existing licensed ambulance operator.

While the original legislation aimed to provide funding for community-based ambulances, it inadvertently imposed unnecessary administrative burdens on hospital-operated services that already function effectively under their existing oversight structures.

Currently, HB 1365 mandates that ambulance services serving populations under 6,500 establish a taxing district with its own board to request and manage levied funds. While this

approach may benefit stand-alone community-based services, it creates significant duplication and inefficiencies for hospital-owned services like ours.

Here are the primary reasons we believe the exemption proposed in HB 1339 is essential to preserve the efficiency and sustainability of hospital-owned ambulance services:

1. **Existing Oversight and Budgeting:** Hospital-owned ambulance services already operate under the direct oversight of the hospital's board of trustees, which manages and approves budgets for all hospital operations, including ambulance services. Requiring a separate taxing district creates redundant oversight structures, increasing administrative burdens without adding value.
2. **Challenges in Forming Taxing Boards:** Recruiting qualified and interested citizens to serve on additional boards is increasingly difficult, particularly in rural areas. Those who join taxing district boards may lack the expertise to make informed decisions about emergency services or could even have conflicting interests.
3. **Funding Uncertainty:** The current legislation does not guarantee that taxing districts will contract with hospital-owned services or provide sufficient funding to cover costs like staffing, capital improvements, and liability insurance. This creates financial uncertainty for hospitals that are already bearing the risks associated with these services.
4. **Existing Funding Mechanisms:** Many counties, including ours, already have effective mill levy funding in place to support emergency medical services. The introduction of a mandated taxing district risks destabilizing these established funding mechanisms, creating confusion and potential funding gaps.

In North Dakota, there are only nine hospital-owned ambulance services that would be subject to this mandate. By exempting these services from the taxing district requirement, rural North Dakota would maintain the streamlined and efficient delivery of emergency medical care, ensuring that hospitals can continue to focus on providing high-quality services to rural communities.

We understand and appreciate the intent of HB 1365 to support emergency services in underserved areas. However, we believe that an exemption provides a practical solution that respects the unique structure and oversight of hospital-owned ambulance services while allowing counties without current mill levies to create taxing districts if needed.

Thank you for your consideration of this important legislation. If you have any questions or would like additional information, I would be happy to discuss this further.