North Dakota Legislative Council
Prepared for the Emergency Response Services Committee
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# AMBULANCE SERVICE PROVIDER DELINQUENT BILLING REIMBURSEMENT GRANTS

Section 4 of House Bill No. 1322 (2025) provides for a Legislative Management study on the feasibility and desirability of establishing a delinquent billing reimbursement grant system for ambulance service providers. The study must include input from stakeholders, including the Insurance Department, and a survey of ambulance service providers. Section 5 of the bill appropriates $20,000 to the Legislative Council for the purpose of contracting for consulting services associated with the study.

## BACKGROUND

North Dakota Century Code Chapter 23-27 provides the Department of Health and Human Services (DHHS) is the licensing authority for Emergency Medical Services (EMS) operations and may designate EMS service areas. House Bill No. 1044 (2011), created Chapter 23-46 related to EMS. Section 23-46-03 requires DHHS to establish and update biennially a plan for integrated EMS in the state. The plan must identify ambulance operations areas, EMS funding areas that require state financial assistance to operate a minimally reasonable level of EMS, and a minimum reasonable cost for an EMS operation. In addition, Section 23-46-02 requires DHHS to establish an EMS Advisory Council and consider the recommendations of the council when developing the plan for integrated EMS in the state, development of EMS funding areas, development of the EMS funding areas application process and budget criteria, and other issues relating to EMS as determined by the State Health Officer.

Chapter 23-46, established by House Bill No. 1044 (2011), requires the State Department of Health to determine the allocation amount of state financial assistance for each EMS funding area based on the department's determination of:

1. The minimum annual funding necessary to operate the EMS operation or service designated to operate in the ambulance funding area, based on the financial needs unique to each EMS funding area.
2. Required local matching funds commensurate with at least $10 per capita within the EMS funding area. (Repealed by House Bill No. 1268 (2019))

The State Department of Health issued its guidance in May 2017 for providing rural EMS assistance grants during the 2017-19 biennium. The department identified in application and grant guidance for the 2017-18 grants that it would subsidize ambulance services based on call volume, a change from prior fiscal year grant awards. The committee was informed that the State Department of Health made the changes for the following reasons:

1. To address and overcome the challenges of operating an EMS system in a rural and frontier setting by creating an EMS system that is efficient and effective for its patients.
2. To address a reduction in available funding.
3. To improve the application process, which was lengthy, time-consuming, and complicated for EMS providers as well as the State Department of Health.

According to testimony, the State Department of Health was attempting to encourage the local EMS providers to collaborate with one another to have a local first response unit working with a regional ambulance service and the new method of awarding rural EMS assistance grants encouraged

consolidation or collaboration among ambulance services. Other testimony suggested if the priority for rural EMS assistance grant funding is based only on call volume rather than geography, there will be geographic areas of critical need that may not be served. Because a small rural EMS provider may have only one emergency call per day, additional funding for that EMS operation would be needed to cover fixed costs. The State Department of Health made additional changes to the rural EMS assistance grant program for 2018-19 grants. The EMS Advisory Council developed a funding distribution formula that includes the establishment of revenue and expense models based on run volume, compared the actual revenue and expenses of the applicant, and uses grant funds to cover a percentage of the difference. The committee was informed the new funding formula is more equitable for small rural EMS providers with lower call volumes.

Section 2 of House Bill No. 1322 (2025) created Section 23-27-08 which prohibits balanced billing for a basic life support or an advanced life support ambulance service. An ambulance service provider may not collect, or bill more than the covered individual's deductible, coinsurance, copayment, or other cost-sharing amount the covered individual would be responsible for if services were provided by a participating ambulance service provider.

## PREVIOUS REPORTS AND STUDIES

In June 2011, a report was received by the interim Human Services Committee titled, "A Crisis and Crossroad in Rural North Dakota Emergency Medical Services". This study was completed by SafeTech Solutions, LLP from Isanti, MN. The full report is available on the Legislative Council website at North Dakota Rural EMS Improvement Project. The executive summary of the report cited the following seven topics to address the needs of rural EMS:

**Recognizing that the roots and future of rural EMS in North Dakota are local** - Today, the important decisions about rural EMS in terms of who provides it, how it is provided, and the quantity and level of care are all made locally. Each area or region of the state has unique needs and resources, and no single solution fits all services or areas.

- **Developing the capacity of local ambulance service leaders** - The local ambulance service leader is one of the most important roles in North Dakota rural EMS. Investing in the development of local leadership helps local services develop the capacity to address their unique challenges locally. The best-run rural ambulance services in North Dakota have stable, prepared, respected, and proactive leadership.
- **Facilitating collaboration between ambulance services** - Many services will not be sustainable on their own and will need to develop regional approaches to leadership, education, resource deployment, staffing, funding and medical direction. Some of the best efforts that address this crisis in North Dakota involve collaboration and regional approaches.
- **Telling a simple, unified story about rural EMS** - To obtain the appropriate attention and support, rural EMS in North Dakota will need to tell a collective story about this crisis, the real cost of operating ambulance services, and the emerging financial and workforce needs. This story will need to be told repeatedly to EMS providers, taxpayers, voters and municipal, township, county, and state government in the coming years.
- **Ongoing EMS workforce planning and development** - To ensure that rural EMS has enough human resources in coming years, the practice of workforce planning and development will need to be promoted and led at a state level.
- **Measuring simple, practical, and meaningful indicators of system performance** - To ensure the performance of rural EMS continues to be strong through this change and into the future, measurement and monitoring of such things as response reliability, chute times, the numbers of active rural EMS workers, and the delivery of appropriate clinical care should occur at local, regional, and state levels.
- **Connecting rural EMS with health care and public safety** - EMS straddles health care and public safety and has the ability to function in both arenas. Rural EMS must continue to explore how it

might broaden its services and employ its personnel by exploring cross-training possibilities in roles such as community paramedics or other roles compatible with EMS.

In August 2019, the North Dakota EMS Association (NDEMSA) worked with Strengthen ND to develop a 5-year strategic vision called North Dakota EMS Vision 2025. The plan focused on three broad areas of staffing, reimbursement, and education. The report established the following four goals for stakeholders to accomplish by 2025:

- Elevate the perception and visibility of EMS throughout North Dakota.
- Create and deploy an advocacy initiative to educate communities and support long-term EMS sustainability.
- Improve the quality of EMS education and maximize available education opportunities.
- Foster partnerships to create and facilitate expanded efficiencies for operational, staffing, administrative, and service capabilities for local EMS service.

The full report is attached as an appendix.

During the 2023-25 biennium, DHHS approved 92 rural EMS assistance grants for a total of $13,947,169. These grants can be used for operational expenses such as staffing, equipment, fuel, and other needs. The grants ranged in size from $233 to $391,967 and averaged $151,600. Additional training grants were approved for $846,000. The Department of Health and Human Services disbursed a total of $14,700,308 of which $6,575,308 was from the general fund, $1,125,000 from the insurance tax distribution fund, and $7,000,000 from the community health trust fund. For the 2025-27 biennium, the Legislative Assembly approved $15,000,000 for grants, of which $7,000,000 is from the community health trust fund, and $1,125,000 from the insurance tax distribution fund.

As of May 6, 2025, there are 255 licensed EMS agencies in North Dakota including 16 advanced support ground ambulances, 101 basic life support ground ambulances, 10 critical care air ambulances, 5 industrial ambulance services, 110 quick response units, and 13 substations of basic life support ground ambulances. The quick response units include fire departments, North Dakota Highway Patrol, police departments, and special units like the Dakota Zoo, Nodak Speedway, and Huff Hills volunteer ski patrol. Four of the critical care air ambulances are located outside of North Dakota as are 1 advanced life support ground ambulance and 2 basic life support ambulances, all in border areas.

## PROPOSED STUDY PLAN

The following is the proposed study plan for the committee's consideration:

1. Receive information from DHHS regarding the current grant programs and support for rural ambulance service providers.
2. Receive information from the Insurance Department regarding insurance payments for ambulance services.
3. Receive information from NDEMSA regarding delinquent billing for ambulance services.
4. Receive information from the North Dakota EMS Advisory Council regarding delinquent billing for ambulance services.
5. Consider contracting with a consulting service to study establishing a delinquent billing reimbursement grant system for ambulance service providers.
6. Develop recommendations and any bill drafts necessary to implement the recommendations.
7. Prepare a final report for submission to the Legislative Management.

ATTACH:1