

STUDY OF EMERGENCY MEDICAL SERVICES WITHIN NORTH DAKOTA - BACKGROUND MEMORANDUM

The Public Safety Committee has been assigned various responsibilities related to emergency medical services provided within North Dakota. These areas include:

- Section 8 of 2007 House Bill No. 1004 ([Appendix A](#)) provides for a Legislative Council study of the state's emergency medical services system, including the funding, demographics, and impact on rural areas.
- Subsection 1 of Section 2 of 2007 House Bill No. 1162 ([Appendix B](#)) provides for the Legislative Council to receive a report from the State Health Officer before July 1, 2008, regarding the outcome and recommendations of the State Health Council's study of the minimum requirements of reasonable emergency medical services coverage, taking into account the response time for emergency medical services.
- Subsection 4 of Section 1 of 2007 House Bill No. 1290 ([Appendix C](#)) provides for the Legislative Council to receive a report from the State Health Officer before July 1, 2008, on the findings and recommendations of the department's contractor's evaluation of the state's trauma system and the department's responses and proposed responses to the recommendations.
- Section 4 of 2007 House Bill No. 1296 ([Appendix D](#)) provides for the Legislative Council to receive a report from the State Department of Health by July 1, 2008, regarding the findings of the department's contractor's assessment of the state's emergency medical services system to assist in developing an integrated emergency medical services program that includes a comprehensive statewide emergency medical services system.

PREVIOUS LEGISLATIVE COUNCIL STUDIES 1987-88 Budget Committee on Institutional Services

During the 1987-88 interim, the Budget Committee on Institutional Services studied the problems faced by and the funding of the North Dakota emergency medical services system and, in particular, volunteer ambulance services and the State Department of Health Division of Emergency Health Services. The committee recommended two bills relating to emergency medical services that were enacted in 1989. One bill extended the definition of "volunteer" as it applies to civil liability protection to emergency medical services providers who received nominal

payments for providing services. The other bill, as recommended, would have imposed a 25 cent per month excise tax on telephone access lines to provide financial assistance to licensed ambulance services, training, and equipment. The bill also provided for the creation of a statute that provided how money was to be distributed, and the bill appropriated emergency medical services money from the general fund. As passed, only the portion of the bill that created North Dakota Century Code Section 23-27-04.2 relating to the distribution of training and equipment grants to licensed ambulance services prehospital emergency medical services was enacted.

1995-96 Insurance and Health Care Committee

The 1995-96 interim Insurance and Health Care Committee was directed to study the feasibility and desirability of implementing recommendations by the North Dakota Health Task Force for improving the health status of North Dakotans, to monitor the ratio of health care cost increases, to review the impact of newly enacted programs to improve the health status of North Dakotans, and to address unmet needs in rural areas.

The State Health Council established the North Dakota Health Task Force in 1990 to identify and address the major health issues facing the state and to develop appropriate recommendations for change. The task force identified six critical areas in its review of the health care crises--cost, education and prevention, access, regulation, manpower, and health care policy and delivery systems. In June 1994 the task force submitted its final recommendations for improving the health status of North Dakotans, including the following relating to emergency medical services:

- Emergency medical services should be available within 5 minutes to 90 percent of the population in urban areas and within 10 minutes to 90 percent of the population in rural areas.
- A 911 emergency number system should be extended statewide.
- Access to primary care should be available within 30 minutes at least once per week to at least 90 percent of the rural population.

The committee urged the State Health Council to continue studying the implementation of the Health Task Force recommendations for improving the health status of North Dakotans.

1997-98 Insurance and Health Care Committee

The 1997-98 interim Insurance and Health Care Committee was directed to study emergency medical

services, including a review of the emergency medical services system, the training and equipment funding needs of emergency medical providers, and the role of emergency medical services in trauma care coordination.

The committee received testimony that specific emergency medical services areas in need of funding include retention and training of emergency medical services providers, transportation funding, equipment funding, and the state trauma plan. Testimony from a representative of an ambulance service indicated that most ambulance services have certain fixed costs regardless of the number of runs made; therefore, in order to provide equitable funding, instead of basing grants on run volume, grants should be based on the fixed costs of an ambulance service. The committee considered possible additional sources for emergency medical services, including funds from a telecommunications relay service surcharge, a wholesale or retail liquor tax, a surtax on health and accident insurance policies, and a gasoline tax.

Representatives of the North Dakota Emergency Medical Services Association testified that emergency medical services providers face a significant problem with reimbursement for services. Nationally there is a high percentage of bad debts written off by ambulance services. In addition, Medicare and Medicaid rules change rapidly, making it difficult for ambulance services to keep up to date with the rules.

The committee recommended 1999 House Bill No. 1038 to amend the law relating to the State Department of Health's distribution of grant money for prehospital emergency medical services, specifically requiring the equipment grant distribution formula to consider ambulance unit fixed costs and not rely entirely on run volume in the formula. The bill as passed by the Legislative Assembly provided that medical assistance (Medicaid) coverage must include prehospital emergency medical services benefits in the case of a medical condition that causes severe pain and which a prudent layperson who possesses an average knowledge of health and medicine could reasonably expect the absence of medical attention to put the person's health in jeopardy.

The committee recommended 1999 House Bill No. 1039 to require that determination of insurance coverage of ambulance services for prehospital emergency medical services be based on a prudent layperson standard. The bill requires insurers to provide coverage for prehospital emergency medical services in cases involving an emergency medical condition. The bill was approved by the 1999 Legislative Assembly.

STATUTORY BACKGROUND

Emergency Medical Services System

North Dakota Century Code Chapter 23-27 provides that the State Department of Health is the licensing authority for emergency medical services operations. The section defines "emergency medical

services" as the prehospital medical stabilization and transportation of individuals who are sick, injured, wounded, or otherwise incapacitated or helpless by emergency medical services personnel with physician oversight. The term includes assessing, stabilizing, and treating life-threatening and non-life-threatening medical conditions.

Emergency Medical Services Licensing

The State Department of Health is responsible for licensing emergency medical services operations. North Dakota Century Code Section 23-27-03 provides that the fee for an emergency medical services operation license to operate an emergency medical services operation or a substation ambulance services operation must be set by the State Health Council at a sum not to exceed \$25 annually. This fee is to defray the costs of administration of the licensing program. All license fees must be paid to the State Department of Health and deposited with the State Treasurer and credited to the state general fund. Emergency medical services personnel are not subject to a license fee. The State Department of Health annually licenses 143 ambulance services in North Dakota.

The State Health Council also is responsible for establishing rules for licensure. These rules must include:

- Time when operator's services must be available.
- Type of motor vehicle operator's license needed for drivers of ground vehicles.
- Training standards for operation personnel.
- Equipment and ground vehicle standards.
- Number of personnel required for each run.
- Other requirements as may be found necessary.

Emergency Medical Services Training and Certification

North Dakota Century Code Section 23-27-04.2 requires the State Department of Health to assist in the training of emergency medical services personnel of certain emergency medical services operations and to financially assist certain emergency medical services operations in obtaining equipment. The legislative history indicates personnel training services must be met before the department may financially assist ambulance units in obtaining equipment. This section provides:

- Assistance provided must be within the limits of legislative appropriation.
- The department is to adopt eligibility criteria for assistance in the training of emergency medical services personnel.
- To qualify for financial assistance for equipment, an emergency medical services operation is to certify, in the manner required by the department, that the operation has

50 percent of the amount of funds necessary for identified equipment acquisitions.

- The department is to adopt a schedule of eligibility for financial assistance for equipment.
- The department may establish minimum and maximum amounts of financial assistance to be provided to an emergency medical services operation. If applications for financial assistance exceed the amount of allocated and available funds, the department may prorate the funds among the applicants in accordance with criteria developed by the department.
- No more than one-half of the funds appropriated by the Legislative Assembly each biennium and allocated for training assistance may be distributed in the first year of the biennium.

North Dakota Century Code Section 23-27-04.3 requires the State Health Council to adopt rules prescribing minimum training, testing, certification, licensure, and quality review standards for emergency medical services personnel, instructors, and training institutions. Rules adopted must:

- Define minimum applicable standards.
- Define emergency medical services personnel.
- Provide for a mechanism for certifying or licensing persons who have met the required standards.
- Provide a mechanism to review and improve the quality of care rendered by emergency medical services personnel.
- Define minimum standards for emergency medical services training institutions.

Emergency Medical Services Funding Sources

The 2001 Legislative Assembly approved House Bill No. 1405 which increased the maximum mill levy rate for ambulance services from 5 mills to 10 mills. The North Dakota Century Code references relating to property tax rates for ambulance services include:

County - Section 57-15-06.7(23) provides that a county may levy a tax of up to 10 mills for county emergency medical services.

Township - Section 57-15-20.2(7) provides that a township may levy a tax of up to 10 mills for emergency medical services.

Rural ambulance service districts - Pursuant to Section 57-15-26.5, a rural ambulance service district may levy a tax not exceeding 10 mills on the taxable value of property within the district.

City - Pursuant to Section 57-15-51, a city may impose a levy of up to 10 mills upon its taxable valuation for the purpose of subsidizing city emergency medical services. Whenever a tax for county emergency medical services is levied, any city levying a tax for emergency medical services may be exempted from the county tax levy.

Attached as [Appendix E](#) is a summary of property taxes collected per county for emergency medical

services and ambulance services as provided in the Tax Department's *2006 Property Tax Statistical Report*.

Other sources of revenues for ambulance services include donations; federal funds; state grants and user fees, including insurance; and Medicare and Medicaid reimbursement. Total federal Homeland Security funding awarded to counties for ambulance services totaled \$2.3 million for the period from 2002 to 2006, including \$476,000 for 2006. Attached as [Appendix F](#) is a summary of federal Homeland Security funding awarded to counties for ambulance services.

House Bill No. 1004 (2007) includes a \$1,240,000 appropriation for emergency medical services training grants for the 2007-09 biennium, of which \$940,000 is from the general fund and \$300,000 is from the community health trust fund. The 2005-07 biennium appropriation for emergency medical services training grants was \$940,000 from the general fund. The 2007 Legislative Assembly also approved House Bill No. 1296, which appropriates \$1,250,000 from the insurance tax distribution fund for providing grants to emergency medical services operations (see [Appendix D](#) for detail regarding the grant program).

The total 2007-09 biennium appropriation for Medicaid reimbursement for ambulance services is \$2,680,542, of which \$965,805 is from the general fund and \$1,714,737 is federal funds. The total 2005-07 biennium Medicaid appropriation for ambulance services was \$1,821,144, of which \$645,893 was from the general fund and \$1,175,251 was federal funds.

QUICK-RESPONSE UNITS

The 2007 Legislative Assembly appropriated \$125,000 from the health care trust fund for the 2007-09 biennium, the same amount as provided for the 2005-07 biennium, for grants to emergency medical services quick-response units. Quick-response units are organizations that provide care to patients while an ambulance is enroute to the scene of an emergency. They may be part of a law enforcement agency, a fire department, or a stand-alone agency whose only purpose is to provide quick-response services. North Dakota Century Code Section 23-27-04.6 provides that State Department of Health licensure or certification as a quick-response unit is optional. The State Department of Health has established a voluntary certification program in response to requests from providers to establish standards.

The 2001 Legislative Assembly approved House Bill No. 1202 providing for the State Department of Health to create and implement a pilot program that creates incentives for basic life support ambulance services and advanced life support ambulance services to convert to quick-response unit services or create quick-response units in areas not already served. The quick-response unit pilot project was effective for the 2001-03 biennium. The 2001 Legislative Assembly appropriated \$225,000 from the

health care trust fund to the State Department of Health for funding the quick-response unit pilot program.

NORTH DAKOTA TRAUMA SYSTEM

North Dakota Administrative Code Section 33-38-01-01 defines "trauma" as tissue damage caused by the transfer of thermal, mechanical, electrical, or chemical energy or by the absence of heat or oxygen. A "trauma center" is defined as a facility that has made a commitment to serve the trauma patient, has met the standards of the trauma system, and has obtained designation as a trauma center.

The State Department of Health under the auspices of the State Health Council maintains the North Dakota trauma system. The North Dakota trauma system began in 1993 with the development of a trauma system plan that identified the need for an organized trauma system for the state. The 1995 Legislative Assembly approved House Bill No. 1318, which appropriated \$100,000 to the State Department of Health for development of a comprehensive trauma and emergency medical system, including:

1. A State Trauma Committee and regional trauma committees.
2. A trauma designation system.
3. A statewide trauma registry system with a quality improvement process.
4. Prehospital trauma transport plans.

The North Dakota trauma system is an integrated comprehensive system designed to be inclusive to all health care providers in the state. The trauma system provides a state of readiness or a preplanned response for care of the injured victim. This response requires an entire spectrum of care delivery, from injury prevention to prehospital, hospital, and rehabilitative care.

North Dakota Administrative Code Section 33-38-01-10 provides for the membership makeup of the State Trauma Committee. Attached as [Appendix G](#) is the membership of the North Dakota State Trauma Committee.

North Dakota Administrative Code Section 33-38-01-06 provides for five levels of trauma center designation for hospitals. Trauma center designations are based upon American College of Surgeons standards, with the Level I designation being the highest standard level. Attached as [Appendix H](#) is a schedule of North Dakota trauma-designated hospitals in each of the four-state trauma regions.

RELATED LEGISLATION

House Bill No. 1290 - Trauma system review -

The 2007 Legislative Assembly approved House Bill No. 1290, which appropriated \$100,000, of which \$75,000 is from the health care trust fund and \$25,000 is from gifts, grants, or donations, to the State Department of Health for the purpose of contracting

with a professional organization to perform an evaluation of the trauma system in the state. In preparing the request for proposal and contract for the evaluation of the trauma system in the state, the department is to request the advice of an advisory committee consisting of the executive director of the North Dakota Medical Association, the president of the North Dakota Healthcare Association, and the senior policy director of the American Heart Association, North Dakota, or their designees. The contractor must be a professional organization that is national in scope and which has expertise in evaluation of state trauma systems and programs.

The evaluation of the state trauma system must include a comprehensive onsite review by a multidisciplinary team, a critical analysis of the current state trauma system, the state trauma system's interrelationship with the state's emergency management system and with homeland security all-hazard planning and program efforts, and recommendations for improvements and enhancements. This committee is to receive a report on any findings and recommendations by July 1, 2008.

House Bill No. 1296 - Emergency medical services review -

The 2007 Legislative Assembly approved House Bill No. 1296, which appropriated \$30,000 from the general fund to the State Department of Health for the purpose of funding an assessment of the state's emergency medical services system. The State Department of Health is to contract with a third party for an assessment of the state's emergency medical services system to assist in developing an integrated emergency medical services program that includes a comprehensive statewide emergency medical services system. The assessment may address regulation and policy; trauma systems; public information, education, and prevention; medical direction; and an evaluation.

House Bill No. 1296 also provides an appropriation of \$1,250,000 from the insurance tax distribution fund for providing grants to emergency medical services operations. To be eligible for funds, an applicant must be the licenseholder of an emergency medical services operation that has been licensed for a period of at least 12 months before the filing of the application, must bill for services at a level at least equivalent to the Medicare billing level, and must meet any additional requirements set by rule adopted by the State Health Council.

The bill provides that prior to distributing the grants, the State Health Officer is to establish guidelines for eligibility, levels of local matching funds, and amounts to be distributed in accordance with the department's strategic plan for providing emergency medical services in this state. The department is to establish a sliding percent formula for determining the applicant's local matching fund obligation. The sliding percent formula must be based on the department's strategic plan and must include consideration of how the applicant fits into the strategic plan and

consideration of the needs of emergency medical services operations in the applicant's neighboring service areas. The State Health Officer may not distribute funds to an applicant unless the applicant has verified the existence of local matching funds at the level determined by the State Health Officer which must be at least 10 percent but not more than 90 percent of the proposed distribution amount. The funds may not be used for capital expenses such as emergency vehicles and emergency medical services equipment. This committee is to receive a report on the findings by July 1, 2008.

House Bill No. 1161 - The 2007 Legislative Assembly approved House Bill No. 1161 relating to regulation of emergency medical services operations and emergency medical services personnel. The bill amended Section 23-27-01 to provide for an emergency medical services operation to operate one or more substation ambulance services operations under a single license. The operator of the emergency medical services operation must pay a license fee for each of its substation ambulance services operations. In addition, the bill also provides various definitions relating to emergency medical services, amends Section 23-27-04 relating to standards for emergency medical services operators, and amends Section 23-27-04.4 relating to supervision of certified or licensed emergency medical technician hospital personnel. House Bill No. 1161 is attached as [Appendix I](#).

House Bill No. 1162 - The 2007 Legislative Assembly approved House Bill No. 1162 providing for the State Health Council to study the minimum requirements of reasonable emergency medical services. In addition, the bill provides that the board of county commissioners must conduct an annual review of the emergency medical services coverage within that county and submit an annual report to the State Health Officer. A taxing district that levies property taxes for support of emergency medical services is to ensure that every emergency medical services operation that operates in that taxing district receives a benefit of this tax. The committee is to receive the report on the findings by July 1, 2008.

UNIVERSITY OF NORTH DAKOTA CENTER FOR RURAL HEALTH STUDY OF RURAL EMERGENCY MEDICAL SERVICES

The University of North Dakota Center for Rural Health conducted two statewide surveys in 1999. The focus of the first survey was to gain a data set of characteristics of emergency medical technicians in North Dakota, including age, number of years served, number of years likely to continue serving, and other related information. The focus of the second survey was directed at workforce issues, including the supply and demand issues for rural emergency medical services. The surveys were supported by the Otto Bremer Foundation.

The report on the survey findings indicated that emergency medical services comprise a system of care for victims of sudden and serious injury or illness. Formally organized in the 1960s to reduce traffic-related and cardiac deaths, emergency medical services has been found to reduce human suffering and save lives. Emergency medical services play a particularly crucial health care role in rural and frontier areas. Delays in receiving care in sparsely populated areas put many rural Americans at greater risk of permanent injury or death than those who reside in urban areas. There are substantial difficulties in providing rural emergency medical services, including:

- Fewer tax dollars to fund health programs.
- Increasing health care demands from aging population.
- Organizational instability.
- Poor access to training and medical supervision.
- Volunteer shortages.
- High response times.
- Lower levels of training.
- Dated equipment.
- Inadequate insurance reimbursement for services.
- Insufficient public access and communications systems.

The University of North Dakota Center for Rural Health is currently working with the North Dakota EMS Association on a plan to conduct additional research on rural emergency medical services in North Dakota. The study will be contingent on the availability of federal funding. If the funding is made available, the study would start in September 2007. The focus of the research is still under discussion, but the Center for Rural Health indicated that it is possible that one of the products would be to replicate the 1999 study to understand how the emergency medical services demographics and issues associated with recruitment and retention have changed.

PROPOSED STUDY PLAN

The following is a study plan the committee may want to consider in its study of emergency medical services.

1. Receive a report from the State Department of Health by July 1, 2008, on the findings and recommendations of the department's contractor's evaluation of the trauma system in the state and the department's responses and proposed responses to the recommendations (required by House Bill No. 1290).
2. Receive a report from the State Department of Health by July 1, 2008, regarding the findings of the department's contractor's assessment of the state's emergency medical services system to assist in developing an integrated emergency medical services program that includes a comprehensive statewide

- emergency medical services system (required by House Bill No. 1296).
3. Receive a report from the State Department of Health by July 1, 2008, regarding the outcome and recommendations of the State Health Council's study of the minimum requirements of reasonable emergency medical services coverage, taking into account the response time for emergency medical services (required by House Bill No. 1162).
 4. Receive a report from a representative of the North Dakota EMS Association regarding the state's rural ambulance services system, including areas and number of people served and problems faced by rural ambulance service operations.
 5. Receive a report from a representative of the University of North Dakota Center for Rural Health regarding its study, if conducted, of rural emergency medical services in North Dakota.
 6. Receive testimony from other interested organizations and individuals regarding the committee's study of emergency medical services.
 7. Develop committee recommendations and any related bill drafts.
 8. Prepare a final report for submission to the Legislative Council.

ATTACH:9