

STUDY OF THE STATE'S EMERGENCY MEDICAL SERVICE SYSTEM - BACKGROUND MEMORANDUM

STUDY RESPONSIBILITIES

The Legislative Management directed a study of the state's emergency medical service (EMS) system, including the EMS state grant program and how the distribution of these grants affects services available in rural areas and including a review of the availability of EMS statewide, services that are considered access critical, and funding available to support these services. The Legislative Management directed the study in response to changes made by the State Department of Health to the rural EMS assistance grant program. The responsibility for this study was assigned to the Government Administration Committee by the Legislative Management.

BACKGROUND INFORMATION

North Dakota Century Code Chapter 23-27 ([Appendix A](#)) provides the State Department of Health is the licensing authority for EMS operations and may designate their service areas.

Emergency Medical Services Licensing

Section 23-27-03 provides the fee for an EMS operation license to operate an EMS operation or a substation ambulance service operation must be set by the Health Council at a sum not to exceed \$25 annually. The fee, currently set at \$25, is to defray the administrative costs of the licensing program. All license fees must be paid to the State Department of Health, deposited with the State Treasurer, and credited to the general fund. Emergency medical service personnel are not subject to a license fee. The Health Council is responsible for establishing rules for licensure.

Emergency Medical Services Training and Certification

Section 23-27-04.2 requires the State Department of Health to assist in the training of EMS personnel of certain EMS operations and to financially assist certain EMS operations in obtaining equipment. In addition, Section 23-27-04.3 requires the Health Council to adopt rules prescribing minimum training, testing, certification, licensure, and quality review standards for EMS personnel, instructors, and training institutions.

Supervision of Emergency Medical Technician Hospital Personnel

Section 23-27-04.4 allows certified or licensed emergency medical technicians-intermediate and paramedics, who are employed by a hospital, to provide patient care within a scope of practice established by the State Department of Health. These EMS professionals are under the supervision of the hospital's designated physician, physician assistant, advanced practice registered nurse, or registered nurse.

Integrated Emergency Medical Services Plan

The 2011 Legislative Assembly, in House Bill No. 1044, created Chapter 23-46 ([Appendix B](#)) related to EMS. Section 23-46-03 requires the State Department of Health 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 the State Department of Health to establish an Emergency Medical Services Advisory Council and consider the recommendations of the council on 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.

Emergency Medical Services Grant Programs

The 2007 Legislative Assembly approved House Bill No. 1296 to create Chapter 23-40 relating to distribution of insurance premiums tax collections to EMS operations. The bill provided \$1.25 million from the insurance tax distribution fund to the State Department of Health for making payments of insurance premium tax collections to EMS operations and \$30,000 from the general fund for an assessment of the state's EMS system. The State Department of Health was to establish and update regularly a strategic plan for an integrated EMS program in this state, which includes a comprehensive statewide EMS system. The State Department of Health was to contract with a third party for the assessment of the state's EMS system to assist in developing an integrated emergency system. In addition to the funds provided from the insurance tax distribution fund, the 2007 Legislative Assembly, in House Bill No. 1004, provided \$300,000 from the community health trust fund and \$940,000 from the general fund for EMS training grants, to provide a total of \$1,240,000 for training grants.

The 2009 Legislative Assembly approved Senate Bill No. 2047 to provide a \$128,400 general fund appropriation to the State Department of Health for providing emergency medical training grants to rural law enforcement officers. The Legislative Assembly also approved Senate Bill No. 2048, which requires trauma designation for all hospitals

that offer emergency services and mandated licensure for quick response units. In addition to funding provided in 2009 Senate Bill No. 2047, the Legislative Assembly provided, in Senate Bill No. 2004, \$1,240,000 for EMS training grants, of which \$300,000 was from the community health trust fund and \$940,000 was from the general fund, and \$2.75 million from the insurance tax distribution fund for EMS operations grants. In Section 6 of 2009 Senate Bill No. 2004, the Legislative Assembly authorized the \$2.75 million provided from the insurance tax distribution fund to be used as follows:

1. Funding of \$2.25 million for grants to EMS operations as provided in Chapter 23-40.
2. Funding of \$500,000 for a grant to contract with an organization to:
 - a. Develop, implement, and provide an access critical ambulance service operations assessment process for the purpose of improving EMS delivery;
 - b. Develop, implement, and provide leadership development training;
 - c. Develop, implement, and provide a biennial EMS recruitment drive; and
 - d. Provide regional assistance to ambulance services to develop a quality review process for EMS personnel and a mechanism to report to medical directors.

The State Department of Health awarded a rural improvement grant totaling \$497,263 to SafeTech Solutions, LLP, to study issues affecting EMS.

The 2009 Legislative Assembly also provided, in Senate Bill No. 2004, \$125,000 from the health care trust fund for EMS quick response units. During the 2009-11 biennium, funding was also made available from the oil and gas impact grant fund, administered by the Board of University and School Lands, for energy infrastructure and impact grants to EMS providers. The Board of University and School Lands awarded \$228,500 to EMS providers from the oil and gas impact grant fund during the 2009-11 biennium.

The 2011 Legislative Assembly approved House Bill No. 1044 to provide:

1. The State Department of Health establish an EMS advisory council to provide advice to the department regarding EMS issues.
2. The State Department of Health establish and biennially update a plan for 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.
3. The State Department of Health allocate state financial assistance for each EMS funding area based on the financial needs of each EMS funding area and require local matching funds of at least \$10 per capita.
4. An appropriation of \$3 million from the general fund to the State Department of Health for state assistance grants to EMS operations and related administrative costs. The State Department of Health reduced grant funding by \$100,000 to provide for administration costs.
5. For the repeal of Chapter 23-40, enacted in 2007, relating to the process of providing financial assistance to EMS.

In addition to funding provided in 2011 House Bill No. 1044, the Legislative Assembly provided, in House Bill No. 1004, \$1.25 million from the insurance tax distribution fund for EMS staffing grants, \$940,000 from the general fund for EMS training grants, and \$600,000 of one-time funding from the general fund to provide matching funds for an ST-elevated myocardial infarction response program. The Legislative Assembly also made available funding from the oil and gas impact grant fund, administered by the Board of University and School Lands, for energy infrastructure and impact grants to EMS providers. The Board of University and School Lands awarded \$4.89 million to EMS providers from the oil and gas impact grant fund during the 2011-13 biennium.

The 2013 Legislative Assembly, in Senate Bill No. 2004, provided a total of \$7.34 million, of which \$6.09 million is from the general fund and \$1.25 million is from the insurance tax distribution fund, for rural EMS grants (\$6.4 million) and training grants (\$940,000). In addition, House Bill No. 1358 appropriated \$7 million from the oil and gas impact grant fund for grants to EMS providers for extraordinary expenditures that would mitigate negative effects of oil development impact affecting EMS providers providing service in oil producing counties.

In 2015 the Legislative Assembly provided a total of \$8.44 million, of which \$7.19 million is from the general fund and \$1.25 million is from the insurance tax distribution fund for training grants (\$940,000) and rural EMS grants (\$7.5 million). Section 6 of 2015 House Bill No. 1004 provided that, of the \$7.5 million provided for rural EMS grants

in House Bill No. 1004, at least 85 percent be distributed to EMS providers that do not receive oil impact grant funding. In addition, House Bill No. 1176 provided \$6 million from the oil and gas impact grant fund for grants to EMS providers for expenditures that would mitigate negative effects of oil and gas-related development affecting EMS providers providing services in oil-producing counties. The entire \$6 million appropriation from the oil and gas impact grant fund was awarded to EMS providers during the 2015-17 biennium. Due to August 2016 general fund budget reductions, the State Department of Health reduced rural EMS grants by \$183,450 to provide a total of \$7,316,550, of which \$6,066,550 is from the general fund and \$1.25 million is from the insurance tax distribution fund. Grant applications were reviewed and funding was awarded based on points.

In 2017 the executive budget recommended and the Legislative Assembly approved a 10 percent general fund reduction in funding for EMS grants to provide a total of \$7,721,000 for the 2017-19 biennium. Funding provided for EMS rural assistance grants totals \$6,875,000, of which \$5,625,000 is from the general fund and \$1,250,000 is from the insurance tax distribution fund. Funding provided for EMS training grants totals \$846,000 from the general fund.

Total funding relating to EMS from the 2007-09 biennium through the 2017-19 biennium is summarized as follows:

Biennium	General Fund	Other Funds	Total
2007-09	\$970,000	\$1,550,000	\$2,520,000
2009-11	\$1,068,400	\$3,403,500	\$4,471,900
2011-13	\$4,540,000	\$6,141,806	\$10,681,806
2013-15	\$6,090,000	\$8,250,000	\$14,340,000
2015-17 (Adjusted)	\$7,006,550	\$7,250,000	\$14,256,550
2017-19	\$6,471,000	\$1,250,000	\$7,721,000

Chapter 23-46, established by 2011 House Bill No. 1044, provides the State Department of Health shall designate EMS funding areas based on criteria adopted by the Health Council and published in the North Dakota Administrative Code and that annually, the State Department of Health shall 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.

In May 2017 the State Department of Health issued its guidance for providing rural EMS assistance grants during the 2017-19 biennium. The department, in a memo dated May 23, 2017, indicates that application and grant guidance for the Part I (2017-2018) grants (\$3 million per year available) reflect a change from previous applications subjected to a scoring process. Below is an excerpt from the department's memo:

"Therefore, Part I (2017-2018) of the grant awards will be based on the volume of reported ambulance runs that are either 911 responses or inter-facility transfers. Event coverage or standby coverage will not apply to run calculations. The number of runs per ambulance service will be an average of the 2015 and 2016 reported runs.

The number of reported runs per individual ambulance service will be calculated and combined with the other services in a funding area. This total volume of runs will be multiplied by a fixed dollar amount of approximately \$202.00. While the call volume of ambulance services having over 700 runs per year will not be used in the calculation of the maximum eligible grant award, the funding area may include that ambulance service in their funding area disbursement agreement. (Part I maximum eligible funding information for each funding area has been distributed.)

Ambulance service/funding areas are expected to apply for the amount of funding needed to meet the intent of the funding source as listed within the grant guidance. If the needed/requested amount is less than the maximum eligible grant award, the remaining funds will be added to the Part II funding allotment or reallocated according to Department discretion. Awards will not be granted in amounts larger than the maximum eligible grant award per funding area."

The State Department of Health indicated in the May 23, 2017, memo the Part II (2017-2019) funding (\$500,000 available for the biennium) will be based on a competitive application process, which considers special circumstances that may exist for funding areas requiring additional funding, and will be awarded to a limited number of funding areas.

PREVIOUS LEGISLATIVE STUDIES

2007-08 Interim

The 2007-08 Public Safety Committee studied the state's EMS system, including the funding, demographics, and impact on rural areas. The committee recommended 2009 Senate Bill No. 2049 relating to EMS programs. The bill was not approved by the 2009 Legislative Assembly but would have provided a \$4,524,000 appropriation from the insurance tax distribution fund to the State Department of Health to provide EMS operations grants, to implement an EMS assessment process, to provide leadership training, and to develop a statewide EMS recruitment drive. However, the 2009 Legislative Assembly, in Senate Bill No. 2004, increased funding provided from the insurance tax distribution fund for EMS by \$1.5 million. Section 6 of the bill authorized \$2.25 million for EMS operations grants as provided in Chapter 23-40 during the 2009-11 biennium and \$500,000 for a grant to contract with an organization to develop, implement, and provide an access critical ambulance service operations assessment process for the purpose of improving EMS delivery; to develop, implement, and provide leadership development training; to develop, implement, and provide a biennial EMS recruitment drive; and to provide regional assistance to ambulance services to develop a quality review process for EMS personnel and a mechanism to report to medical directors. This funding was in addition to \$1.24 million provided for EMS training grants, of which \$940,000 was from the general fund and \$300,000 was from the community health trust fund. The section also provided the State Department of Health require recipients of grants to provide information on the use of funds received as necessary for the State Department of Health to provide a report to the Legislative Management on the use of the funding.

2009-10 Interim

The 2009-10 Public Safety and Transportation Committee was assigned a study, pursuant to Section 5 of 2009 Senate Bill No. 2050, of EMS funding within the state, including state and local EMS and ambulance service funding and the feasibility and desirability of transitioning to a statewide funding formula.

The committee was also assigned to receive a report from the State Department of Health, pursuant to Section 6 of 2009 Senate Bill No. 2004, regarding the use of funding provided for grants to EMS operations during the 2009-11 biennium. The committee learned in fiscal year 2010 a total of 41 ambulance services of the 147 licensed with the State Department of Health applied for EMS operating grants. A total of \$1,104,259 in grants was awarded to 39 ambulance services. The grants ranged from \$2,080 to \$45,000 with an average grant award of \$28,314. Ambulance services were required to provide matching funds that ranged between 10 and 90 percent based on the needs of the ambulance service.

The committee learned the State Department of Health awarded a grant to SafeTech Solutions, LLP, pursuant to Section 6 of 2009 Senate Bill No. 2004, which identified \$500,000 from the insurance tax distribution fund for a grant to contract with an organization to study EMS issues. The committee learned eight 1-day summits were held by SafeTech Solutions, LLP, to receive input from local ambulance services regarding rural EMS challenges, and a final report, including recommendations for changes, was made available in late 2011.

The committee received testimony regarding challenges faced by EMS, including dangers faced by ambulance personnel; increasing number of calls in areas affected by oil and gas development; and the lack of personnel, adequate leadership, and funding.

The committee learned funding sources for EMS include property taxes, county sales tax, federal homeland security grant funding, Medicaid payments, EMS training grants, and EMS operations grants. Other sources of revenue for ambulance services include donations, federal funds, and user fees that include insurance payments. Ambulance services may directly bill patients who are not covered by a third-party provider.

The committee explored funding options for EMS, including increasing funding for Medicaid and a statewide funding plan for EMS in which state funding for EMS would be provided to an area of the state rather than to specific ambulance services. Each funding service area would allow ambulance services to collaborate and reduce redundancies, maintain local decisionmaking, and facilitate the integration of ambulance services if needed. Each service area would also provide matching funds which could be from sources as determined by the local area.

The committee recommended House Bill No. 1044 to provide the State Department of Health establish and biennially update a plan for EMS in the state, establish an Emergency Medical Services Advisory Council to provide advice to the department regarding EMS issues, ensure all areas of the state are covered by reasonable ground ambulance response, and allocate state financial assistance for each EMS funding area based on the financial needs of each EMS funding area and require local matching funds of at least \$10 per capita. The bill included an appropriation of \$12 million from the insurance tax distribution fund to the State Department of Health for providing

state financial assistance for EMS and repealed Chapter 23-40 relating to the current process of providing financial assistance to EMS.

As approved by the 2011 Legislative Assembly, House Bill No. 1044 repealed Chapter 23-40 relating to the current process of providing financial assistance to EMS and created Chapter 23-46 related to EMS. The bill directed the State Department of Health to establish and update a plan for integrated EMS in the state, which includes designation of EMS funding areas, and created an Emergency Medical Services Advisory Council to advise the State Department of Health on the state plan for integrated EMS, development of EMS funding areas, development of the EMS funding areas application process and budget criteria, and other issues relating to EMS. As approved, the bill appropriated \$3 million from the general fund for state assistance grants to EMS operations and related administrative costs to the State Department of Health during the 2011-13 biennium.

In addition 2011 House Bill No. 1004 provided \$1,250,000 from the insurance tax distribution fund for EMS staffing grants and \$940,000 from the general fund for EMS training grants for the 2011-13 biennium. House Bill No. 1266 (2011) provided \$100,000 from the general fund to support a comprehensive state trauma system and authorized the State Health Officer to appoint an EMS and trauma medical director to provide medical oversight and consultation in the development and administration of the state EMS and trauma systems.

2011-12 Interim

The 2011-12 Health Services Committee received information regarding the EMS improvement grant to study rural EMS issues awarded to SafeTech Solutions, LLP, from the Emergency Medical Services Advisory Council. The SafeTech Solutions, LLP, report on the challenges facing EMS in rural North Dakota expressed a concern regarding the lack of adequate rural, out-of-hospital EMS in North Dakota. The committee learned in rural areas, where volumes of medical transports are low, EMS relies on donations, local tax revenues, and volunteer labor. In western North Dakota, increasing demand for services is a concern, including a need for specific training and environmental challenges. In other parts of the state, the aging population is an issue.

The committee learned 86 percent of the ambulance services in the state rely primarily on volunteers whose labor cost would exceed an estimated \$31 million per year. Aging volunteers and the decline in volunteerism has resulted in a shortage of EMS workers. The committee learned characteristics of successful rural services include engaged, trained, dedicated, and rested leaders; professional standards; recruitment and retention plans; organization; adequate funding; and well-maintained facilities and equipment. The advisory council was directed by the 2011 Legislative Assembly to make recommendations to the State Department of Health regarding the establishment of funding areas and criteria to determine funding levels for each area. The committee learned the Energy Infrastructure and Impact Office made \$2 million of funding from the oil and gas impact grant fund available for EMS, and an additional \$30 million contingent appropriation from the oil and gas impact grant fund was provided for oil and gas impact grants related to emergency services during the November 2011 special legislative session.

The committee received information from the State Health Officer regarding community paramedics. The committee learned there is the potential for community paramedics to provide additional cost-effective clinical and public health services, particularly in rural areas of the state. The ability to receive reimbursement for these services could enhance the sustainability of the current EMS system. The committee learned EMS systems can function with volunteer personnel by responding to up to approximately 350 emergency calls per year, while fee-for-service systems are generally not sustainable until the service responds to at least 650 emergency calls per year. Increased demand is causing some communities with volunteer responders to increase to more than 350 emergency calls but still less than 650. The committee learned if the role of paramedics could be expanded to that of community paramedics, fee-for-service EMS systems could likely be sustained. The committee learned appropriately trained community paramedics could provide billable services, including:

1. Community mid-level clinical evaluation and treatment;
2. Community level call-a-nurse service and advice;
3. Chronic disease management support;
4. Case management of complex cases;
5. Worksite wellness facilitation and onsite clinical support; and
6. School wellness and mid-level clinical services.

The committee learned issues to be resolved relate to needs, certification, regulation, and reimbursement.

The committee recommended 2013 Senate Concurrent Resolution No. 4002 for a Legislative Management study of the potential for community paramedics to provide additional clinical and public health services particularly in rural areas of the state, including the ability to receive reimbursement for these services and the effect these reimbursements would have on the sustainability of EMS providers.

2013-14 Interim

Pursuant to 2013 Senate Concurrent Resolution No. 4002, the 2013-14 Health Services Committee studied the feasibility and desirability of community paramedics providing additional clinical and public health services, particularly in rural areas of the state, including the ability to receive third-party reimbursement for the cost of these services and the effect of these services on the operations and sustainability of the EMS system.

The committee learned there is the potential for community paramedics to provide additional cost-effective clinical and public health services, particularly in rural areas of the state. The ability to receive reimbursement for these services could enhance the sustainability of the current EMS system.

The committee recommended 2015 Senate Bill No. 2043 to require the Department of Human Services adopt rules regarding payments to licensed community paramedics for health-related services provided to recipients of medical assistance, subject to limitations and exclusions.

STUDY PLAN

The following is a proposed study plan for the committee's consideration in its study of the state's EMS system:

1. Receive information from the State Department of Health regarding the state's EMS system, including the EMS state grant program and how the distribution of these grants affects services available in rural areas and including a review of the availability of EMS statewide, services that are considered access critical, and funding available to support these services.
2. Receive information from the University of North Dakota Center for Rural Health regarding the state's EMS system, including services available in rural areas and funding available to support these services.
3. Receive information from EMS providers regarding the study, including the effectiveness of the grant program.
4. Receive testimony from interested persons regarding the study.
5. Develop recommendations and any bill drafts necessary to implement the recommendations.
6. Prepare a final report for submission to the Legislative Management.

ATTACH:2