

Minnesota State Fire Chiefs Association • www.msfca.org

March 14, 2024

Chair Liebling, Representative Schomacker, & Members of the House Health Committee;

The Minnesota State Fire Chiefs Association ("MSFCA") appreciates the opportunity to provide additional comments to the discussion on HF3992.

As a result of a House hearing during the 2023 session, the Minnesota EMS Delivery and Sustainability ("MEDS") Task Force was established on a voluntary, unfunded basis. The creation of the MEDS Task Force demonstrates to the Legislature, and the public, that industry professionals have joined together, despite varying Legislative priorities and solutions, to ring the alarm on the dire situation we find ourselves in with EMS delivery and sustainability across the State of Minnesota. Per the League of Minnesota Cities' news release, the goal of the MEDS Task Force was:

"... to establish a task force with specific membership to "analyze the coordination of responses to emergencies, non-emergencies, community-based care, the regulatory structure detailed under Minnesota Statutes, section 144e, financial stability of the EMS system, review of the ambulance primary service area statute, and the level of governmental input into the licensing process and level of care as outlined in the Office of the Legislative Auditor (OLA) Report Recommendations."

While the Task Force has focused on funding items as the immediate need, the MSFCA remains committed to analyzing and making recommendations on the reform items. As the legislative bodies consider funding and reforms, we would like to make the MSFCA's continuing position clear.

The MSFCA supports the current request for up to \$125M in one-time funding. Minnesotans depend on having dependable, and viable, ambulance service and we support prioritizing one-time, emergency, funding to save those services on the brink of closing. In addition to emergency funding to ensure ambulance services do not close, we support funding to create change and innovation to the current EMS system. It continues to be recognized that there is no "quick fix" or a "one size fits all solution" to this statewide issue.



Prioritizing emergency funding while creating more sustainable responses for all Minnesotans is the first step towards a long-term solution. As with any taxpayer-funded grants from the State, there must be accountability measures, such as auditing measures, data collection, and reporting requirements.

In order for the MSFCA to support any additional requests for funding, those requests must be paired with system changes, such as the recommendations outlined in the OLA report, to create accountability and input to EMS delivery.

We have reservations about putting forward a funding request with minimal uniform data to support the request. We've ask for strong commitment of the MEDS Task Force to follow through with the stated goals regarding accountability and recommending system changes this year, in line with the OLA report recommendations.

Respectfully submitted,

FIRE CHIEFS \*

Eric Bullen / President president@msfca.org

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209 S. Highway 9 PO Box 231 Morris, MN 56267

Phone: 320.589.7421 Fax: 320.589.0365

Dear Chair Liebling and Members of the Committee:

I'm writing today to ask for your support of HF3992. The bill is proposing \$120 million in emergency aid to ambulance services to provide for short term sustainability. This funding is desperately needed, as ambulance services are struggling financially due to increased costs and inadequate reimbursement.

Reimbursement from Medicare and Medicaid does not cover the cost of providing services. Private insurance premiums and deductibles are increasing, while the amount we get reimbursed is decreasing. Increased deductibles mean an increased financial burden on the patients while insurance companies continue to see profits soar. Uncompensated calls have increased three-fold for our agency in the last three years. We have seen several ambulance service closures in recent years. More services will be forced to cut services and in some cases cease operations if immediate funding is not provided.

Ambulance services are no longer able to sustain solely on the revenues generated from those that happen to use the service - nor should we expect only a handful of people to fund the readiness that an ambulance service provides to all who live, work, play and visit our service areas across Minnesota. We do not rely on this method of financial sustainability for other essential public safety services – we should not expect it of the EMS system.

I care deeply and am very proud of the EMS system in Minnesota, particularly here on the western edge of the state. We have excellent clinicians, the PSA model ensures equitable availability of services to all Minnesotans, and our innovation and clinical outcomes as a state have always been at the forefront of the industry nationwide. Now is the time to recognize and fund emergency medical response, preparedness and readiness. The need cannot be overstated. I wish I was inflating the severity of the situation, but this is our reality. Immediate action to provide funding needs to be taken now.

Thank you for supporting HF3992.

Sincerely

Soshua A. Fischer, BS, NRP

Director, Stevens County EMS

## REPRESENTATIVE DAVE LISLEGARD

**7B** 

### AMBULANCE SERVICES IN **NORTHEAST MINNESOTA REPORTED** \$13.9 MILLION IN LOSSES IN 2022

(\$29,995,641) **Total operating costs** 

**Total insurance revenues** \$26,345,701 (93% of all reported revenues)

> Reported annual capital (\$4,736,481) expenses

> Volunteer labor subsidy (\$5,546,154)

**Total reported operating** deficit for Northeast EMS **District in CY 2022** 

(\$13,932,575)

# **PSA BUDGET STATUS IN**

### THERE ARE 15 EMS PROVIDERS **WITH SERVICE TERRITORY IN 7B:**

**Babbitt Ambulance Service** Biwabik Fire Department Ambulance Chisholm Ambulance

**Cloquet Area Fire District Ambulance** 

Cook Area Ambulance Service

Mayo Clinic Ambulance - Duluth

**Eveleth Ambulance Service** 

Floodwood Ambulance Service

**Hibbing Ambulance Service** 

Meadowlands Ambulance Service

Essentia Health - Buhl\*

Nashwauk Ambulance Service

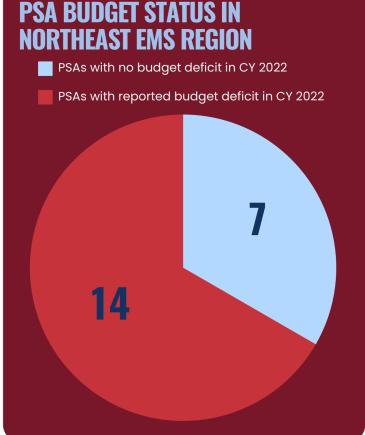
Tower Area Volunteer Ambulance

**Virginia Fire Department** 

\*Owned by the City of Buhl

**Basic Life Support** 

**Advanced Life Support** 





## **AMBULANCE SERVICE:**

### **BEYOND THE CRISIS**



### This is not a new problem!

2002

MN Department of Health - "Quiet Crisis" Rural ambulance services at risk

MAA/Greater NW EMS Region - Rural EMS Summit **Workforce & funding** 

MN Department of Health – Rural EMS Sustainability Survey Rural EMS is not sustainable

2022

MN OLA - Report on Emergency Ambulance Services System is broken; EMSRB

2022

Center for Rural Policy and Development Report

- **Recruitment/retention**
- Lacking equipment
- Disparities in service levels
- Longer travel times to definitive care
- Significant lack of economies of scale in Greater MN
  Lack of formal staffing and/or professional management
- Siloed agencies
- Need for a flexible approach





Failure of Medicare/Medicaid reimbursement systems!

### **Ground ambulance** service deficits

(\$455,627,710) Total operating costs

Total insurance revenues

(93% of all reported \$449,906,842

revenues)

Reported annual capital (\$60,661,960) expenses

Volunteer labor subsidy (\$55,789,657)

**Net total reported** operating deficit statewide in CY 2022

(\$122,172,485)

Central EMS District (\$14,556,229)

Metro EMS District (\$37,824,109)

(\$13,932,575) Northeast EMS District

Northwest EMS District (\$5,725,300)

South Central EMS District (\$6,621,280)

(\$14,031,611) Southeast EMS District

Southwest EMS District (\$20,244,885)

West Central EMS District (\$9,236,685)

# SUPPORT THE EMERGENCY AMBULANCE AID BILL

### THE PROBLEM

Emergency Medical Services (EMS) in Minnesota continue to face critical challenges to delivering services across the state. Severe reimbursement shortfalls, aging workforces, unsustainable staffing models, and increased operating costs are forcing communities to make tough decisions. This crisis will have life-threatening consequences for families and their communities.

The legislature must take action **NOW**.







### THE ASK

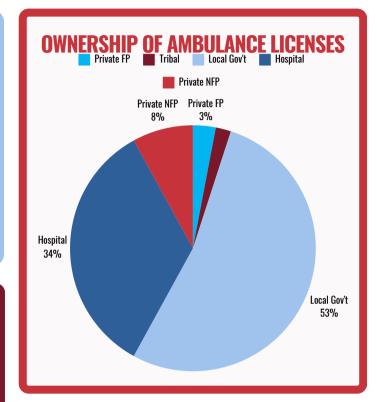
The fee-for-service model of funding EMS is failing. Right now, services and personnel are struggling to maintain operations. We support the passage of an immediate \$120 million emergency ambulance service aid appropriation (SF3886/HF3992) that will keep services operating in the near term.

### THE COMMITMENT

We commit to working to find a sustainable revenue source to be considered by the legislature in 2025 that will ensure communities across the state have access to quality EMS. Long-term funding, coupled with improvements to the service



model, will support EMS providers in their mission to provide essential, lifesaving care to all Minnesotans.



2022 statewide reported operations deficit for Ground Ambulance **Service Costs was** \$122 MILLION!

Without emergency funding followed by a longer-term viable financial solution, these ambulance services are simply

NOT SUSTAINABLE.

### IT IS TIME TO PRIORITIZE EMS DELIVERY FOR OUR COMMUNITIES.

For more information, contact Erik Simonson: (C) 651-259-1921





a easimonson@flaherty-hood.com

## 

A partnership of 40 organizations from across Minnesota coming together to advocate for EMS delivery & sustainability.



Allina Health %

Allina Health www.allinahealth.org



American College of Emergency Physicians, MN Chapter www.mnacep.org



Arrowhead EMS Association www.arrowheadems.com



Association of Minnesota Counties

www.mncounties.org Astera H



Astera Health EMS
www.asterahealth.org



Avera Granite Falls Ambulance www.avera.org



Bemidji Ambulance Service www.bemidjiambulance.com



Browerville Ambulance Service www.browerville.govoffice.com



Cloquet Area Fire District
www.cloquetareafiredistrict.com



**CentraCare** www.centracare.com



Coalition of Greater Minnesota Cities www.greatermncities.org



Cromwell-Wright Area Fire District
www.cromwellwrightfire.us



Dodge Center Ambulance www.ci.dodgecenter.mn.us



**Essentia Health** www.essentiahealth.org



Hennepin County Association of Paramedics & EMTs www.hcape.org



Hennepin EMS www.hennepinems.org



Hibbing Fire Department www.hibbingmn.gov



International Falls Fire & Rescue www.ci.international-falls.mn.us



League of Minnesota Cities www.lmc.org



M Health Fairview EMS www.mhealthfairview.org/ems



Ambulance

Mayo Clinic Ambulance Service www.mayoclinic.org



MEDS-1 Ambulance Service www.meds-1.com



Metro Cities www.metrocitiesmn.org



Minnesota Ambulance Association www.mnems.org



Minnesota Association of Small Cities
www.maosc.org



Minnesota Association of Townships
www.mntownships.org



Minnesota Inter-County Association www.mica.org



Minnesota Rural Health Association www.mnruralhealth.org



Minnesota State Fire Chiefs Association www.msfca.org



City of Nashwauk www.nashwuakmn.gov

**Northfield Hospitals** 



National Association of EMS Physicians, MN Chapter www.naemsp.org



North Memorial Health www.northmemorial.com



& Clinics www.northfieldhospital.org



Perham Area EMS www.perhamems.org



Range Association of Municipalities & Schools www.ramsmn.org



Ringdahl EMS www.ringdahlems.com

SANF#RD

Sandford Health www.sanfordhealth.org



Southeastern Minnesota League of Municipalities www.semlm.org



**Southwest EMS** www.sw-ems.org

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Stevens County Ambulance Service www.stevensems.com



Virginia Fire Department www.virginiafd.com





#### **BOARD OF COMMISSIONERS**



Government Services Center 515 West Fir Avenue Fergus Falls, MN 56537

March 12, 2024

Dear Representative Lislegard:

On behalf of the people of Otter Tail County, we urge you to take immediate action to protect Emergency Medical Services (EMS) in Minnesota. Statewide, EMS systems have markedly weakened over the past several years. This weakness relates directly to a lack of adequate funding.

Our EMS lacks public funding to cover the increasing costs of readiness, staffing, reimbursement for services while simultaneously addressing rising ambulance call volumes. Many EMS services, regardless of their business model, are facing financial hardship across the state, threatening their ability to continue providing life-saving care. Services in Greater Minnesota are especially vulnerable.

In Otter Tail County alone, our seven (7) ambulance services experienced an estimated \$1.5 million loss due to uncompensated care provided to our community. Gaps in state and federal reimbursement of EMS, strain local and county governments to respond. This is neither sustainable, nor does it address the root cause of under-reimbursement of EMS services.

Otter Tail County strongly urges you to consider funding EMS at \$120 million for 2024, and comparably fund year 2025. We ask that you address the following areas of immediate concern, with a primary emphasis on the most vulnerable and underfunded programs and communities:

- Emergency funding for EMS operational sustainability. We need to ensure that our ambulances can survive and continue providing their life-saving services into the future. We encourage you to provide emergency funding in accordance with the financial losses reported by the EMSRB.
- Grant funding for EMS innovation. As the system currently exists, ambulances lack opportunities to maintain financial viability. It is essential that ambulances innovate and adapt to the changing circumstances further challenged by decreased reimbursement. Ambulances require grant funding to assist with transitioning to more efficient, modern, and innovative service models. In awarding these grants, it is critical to ensure that rural EMS agencies are included in pilot projects and design.
- Exceptional challenges faced by Rural EMS agencies. Rural EMS agencies face unique barriers to patient care and ambulance financial stability. Longer transport distances result in extended provider/vehicle call times. To keep response times within goal parameters, ambulances must cover a wider geographic area, often with lower populations. Rural ambulances have similar costs per

218-998-8060



OTTER TAIL COUNTY IS AN EQUAL OPPORTUNITY EMPLOYER



ottertailcountymn.us

ambulance to state averages, but much higher costs per transport due to fewer calls than metro areas per vehicle. Some states have adopted a minimum reimbursement formula that ensures adequate payment at three times the Medicare rate and give preferential treatment to rural services (3.25x Medicare rate).

- Designate EMS as an essential service. Unlike Minnesota, thirteen states and the District of Columbia have designated EMS as an essential service in state statute. An Essential Service designation is advantageous in that it would require a minimum capacity of EMS systems statewide, ensuring that there are no "ambulance deserts." Additionally, it provides a readiness-based funding model to support ambulance providers and encourages investments in EMS, like fire departments and lawenforcement.
- Disconnect EMS reimbursement and patient transportation. At present, all EMS reimbursement from payers such as Medicare, Medicaid, or commercial insurance is tied to the ambulance transporting the patient to the hospital. There is no reimbursement mechanism when an ambulance provides assessment or treatment on scene, but the patient refuses to be transported by the ambulance, or otherwise does not require transportation, despite significant costs to the responding EMS. Equity and fairness require reimbursement of care provided without the need for transportation of the patient.
- Support Community Paramedic Program expansion. Community paramedics provide excellent healthcare services in patient's home. It is widely accepted that these programs prevent Emergency Department visits and hospital readmissions. Community paramedic programs can also refer patients to long term supports like home care or other assistance. At present, reimbursement for Community Paramedics is so low that programs are not able to cover the cost of the labor.
- <u>Broadly fund EMS education.</u> The pandemic strained the workforce, placed new demands on services, and generated intense competition for healthcare personnel. Recent efforts to fund EMS education fell short and did not recognize the diverse forms of EMS education. We encourage that EMS education funding be expanded to include programs offered online, through private universities, and in neighboring states.

Insufficient reimbursement for EMS care and lack of state and federal investment in EMS evidence long-term challenges building for decades. The additional burdens placed on EMS during the pandemic exacerbated the financial threat, pushing many EMS systems in our nation to the breaking point. It is time to support EMS, so that EMS can continue to serve our communities.

Sincerely,

Kurt Mortenson,

Chair, Board of Commissioners

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To Whom This May Concern,

I am writing to express my strong support for Bills HF3992 and SF3886, which focus on rural EMS funding. As a concerned Ambulance Manager, I believe it is crucial for the State of Minnesota to provide adequate funding to address the financial strain faced by rural EMS services due to poor Medicare reimbursements.

Rural EMS services play a vital role in ensuring the health and safety of our communities. They provide critical medical assistance and transportation to individuals in remote areas who often face significant challenges in accessing healthcare facilities. However, the financial burden imposed by the current Medicare reimbursement rates has made it increasingly difficult for these services to operate effectively.

Without adequate funding from the State of Minnesota, rural EMS services will be forced to make difficult decisions, which may ultimately lead to closures. This would have devastating consequences for the residents of rural communities, as it would result in delayed emergency response times and limited access to life-saving medical care.

Bills HF3992 and SF3886 offer a much-needed solution to this pressing issue. By providing the necessary funding and support, these bills will ensure funding for capital purchases for rural EMS services. This, in turn, will guarantee that individuals in rural areas have access to timely and quality emergency medical care, regardless of their location.

I urge you to consider the importance of rural EMS services and the potential consequences of inadequate funding. By supporting and passing Bill HF3992 and SF3886, you will be making a significant contribution to the well-being and safety of rural communities across Minnesota.

Thank you for your attention to this matter, and I trust that you will make the right decision in support of Bills HF3992 and SF3886.

Sincerely,

Aric Risbrudt

Lake Region Ambulance

Aric Risbrudt.

Manager/Paramedic

March 12, 2024

RE: Support HF3992

Dear Chair Liebling and Committee Members,

My name is Lynn Siegel, I am a former paramedic and I currently sit on the board of West Central EMS and I am the Emergency Manager of Traverse County. I am testifying in support of HF 3992.

I believe that with the proposed funding many if not all of the ambulance services throughout Minnesota would have the ability to work on recruitment and retention along with updating equipment needs and educational experiences that might not otherwise be possible. In the rural areas it is getting harder to keep staff on the volunteer services so this funding could possibly help with more pay for the staff.

I look at this funding as a stop gap to help keep and/or maintain services especially in rural communities with hopes that Medicare and Medicaid reimbursements could be looked at and reevaluated for better funding.

I understand that this is a one-time funding opportunity but it would be nice to have this recurring along with possibly making ambulance services and essential service that could be partially supported by local taxes. Again, I fully support HF 3992 and hope that you will consider passing this bill.

Best Regards,

Lynn Stegel

**Traverse County** 

**Emergency Management Director** 

MM Scell

Cell: 320-808-1447 Office: 320-563-0872

Email: lynn.siegel@co.traverse.mn.us

209 S. Highway 9 PO Box 231 Morris, MN 56267 Phone: 320.589.7421

Fax: 320.589.0365

Committee chair and members,

I am writing to provide testimony and ask for your support of HF3992. The bill is proposing \$120 million in emergency aid to ambulance services in Minnesota.

Licensed ambulance services (MS 144e) in Minnesota are struggling financially because of increasing cost of providing services and the inadequate reimbursement for services provided by Medicare, Medicaid, and insurance companies. In some cases when the ambulance service does not transport the patient and provides assessment and treatment on scene, the ambulance receives no reimbursement. In addition, many people now have very high deductible insurance policies, which creates more burden on the patients and often becomes uncollected. All of this along with increasing cost of services, personnel costs and insurance, cost of supplies, medications, vehicles and equipment, are creating need for new and increased local requests for support from counties and cities. In some cases, closing the doors of the essential ambulance services in a community is the only option. Ambulance services have delayed replacement of critical equipment and vehicles because of lack of funding. We depend on tens of thousands of hours of volunteer time to ensure workforce coverage and we need you to support EMS in Minnesota and provide financial assistance from the state to ambulance services.

HF3992 creates a one-time funding bill for ambulance services to get them through the next year. We must also pass ongoing funding to ensure sustainability of emergency ambulance operations, support the workforce, and continue to strengthen the emergency medical services system and ambulance services for the people of Minnesota.

Thank you for your support and passage of HF3992.

Randall S. Fischer, NRP

Stevens County Ambulance Service



March 13, 2024

### Re: Support for H.F. 3992 (Lislegard) – One-time Aid for Ambulance Services

Dear Representative Liebling and members of the House Health Finance and Policy Committee,

Created in 1994, the MRHA has grown to be a recognized advocate for rural health in Minnesota. Our mission is to strengthen health care for rural Minnesotans. On behalf of our nearly 200 members, we share our support for the EMS system that serves rural Minnesota.

I am writing today in support of H.F. 3992 (Lislegard) which would provide one-time funding for struggling rural ambulance services.

As the Legislative Task Force traveled across rural Minnesota, a common discussion took place around the need for funding. During the field hearings, ambulance operators shared annual losses of \$300k, \$180k, and \$1.1 million. These losses are real and are being absorbed by cities, hospitals, and private providers. We trust you are as concerned as we are about how long these municipalities and organizations can continue to operate in the red.

The funding crisis we face today has been long coming. Over the past 20 years, reimbursements from Medicare and Medicaid have been flat while the cost to operate ambulance services have increased. The workforce shortage we are experiencing is a direct effect of this inadequate funding and reimbursement. Ambulance operators cannot afford to pay their staff wages that compete with most other jobs in their communities. Not to mention the \$60+ million volunteer subsidy that has kept many rural ambulance services financially viable. If there are no people to do the work, there are no ambulances to respond. The time is now to focus on funding. Innovation and transformation will surely follow.

Once again, we appreciate the opportunity to share the importance of funding initiatives to support the sustainability of our rural ambulance industry. If you have any questions regarding MRHA's position, feel free to contact me at mark@mnruralhealth.org or 218-201-0098.

Sincerely,

Mark Jones

**Executive Director** 

Office of Emergency Management Stevens County Sheriff's Office 400 Colorado Avenue, Suite 401 Morris, MN 56267

HF3992 03/12/2024

Dear Chair Liebling and Members of the Committee:

I am writing today to encourage your support for HF3992. I live in Stevens County, and I serve as the Emergency Management Director in both Stevens County and Big Stone County.

I see firsthand the struggles that our Ambulance Service partners deal with daily. Finding individuals to serve in the EMT or Medic capacity is a constant struggle. We have Medics traveling from other counties to help fill the needed positions locally. I have wondered many times what we would do if we do not have an ambulance service available in the counties for which I serve. It's a huge concern for many of us in the smaller counties. Our ambulance service provides training and specialty services for our Medical First Responder groups and is always available to provide support for our Law Enforcement and Fire Service. When we send out the page for help, they respond. I worry if the service will become limited or if a different service will need to respond from an hour or more away.

The times have drastically changed, and we cannot see our life safety services dwindle down to no services or less responsive service, especially in our rural communities.

This bill is critically needed to ensure the immediate sustainability of EMS services across the state. We also need to, as a community and as a state, look at ways to ensure the ongoing sustainability of the EMS system. The primary need is funding that recognizes the readiness that an ambulance service provides.

Thank you for your time, I greatly appreciate the work that you and the committee members do to support our services in Minnesota!

Best Regards,

Dona Greiner, Director of Emergency Management

Christina Lindquist, Grant County Emergency Management Director

Grant County, MN

In greater MN, EMS is a vital resource to all our communities. We survive on volunteer services.

It is imperative that the public understands the EMS is not an 'essential service' as is law enforcement and fire resources.

Minnesota must change necessary legislation to include EMS as an essential service.

Second action is to make sure the public is educated about what is and isn't an essential service.

Without local EMS, the bottom line is people will die.

Minnesota must consider different training requirements for volunteer EMS services compared to paid full-time EMS personnel.

Training standards should be realistic to the community needs. Training standards for Volunteer EMS services should not be the same as paid full-time services.

Lastly, funding is needed.

Funding will help with the cost to purchase and maintain safe EMS vehicles and medical equipment.

Funding retirement for volunteer EMS personnel, similar to that of a city owned volunteer fire department would help with retention.

We are in a state of emergency when EMS services cease to exist.