

HOUSE BILL NO. 1044

Introduced by

Legislative Management

(Public Safety and Transportation Committee)

1 A BILL for an Act to create and enact a new chapter to title 23 ~~and a new subsection to section~~
2 ~~23-27-02~~ of the North Dakota Century Code, relating to ambulance operations areas,
3 emergency medical services funding areas, and state financial assistance for emergency
4 medical services; ~~to amend and reenact sections 18-04-04.1 and 23-27-01 and subsection 1 of~~
5 ~~section 26.1-03-17 of the North Dakota Century Code, relating to the insurance tax distribution~~
6 ~~fund and ambulance operations areas~~; to repeal chapter 23-40 of the North Dakota Century
7 Code, relating to emergency medical services allocations; ~~and~~ to provide a statement of
8 legislative intent; to provide an appropriation; and to provide an effective date.

9 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

10 **~~SECTION 1. AMENDMENT.~~** ~~Section 18-04-04.1 of the North Dakota Century Code is~~
11 ~~amended and reenacted as follows:~~

12 ~~—18-04-04.1. Insurance tax distribution fund.~~

13 ~~—The insurance tax distribution fund is a special fund in the state treasury. The portion of~~
14 ~~revenue provided in section 26.1-03-17 must be deposited in the fund for disbursement as~~
15 ~~provided in this chapter and chapter 23-40 section 2 of this Act, subject to legislative~~
16 ~~appropriation.~~

17 **SECTION 1.** A new chapter to title 23 of the North Dakota Century Code is created and
18 enacted as follows:

19 **Definitions.**

20 For purposes of this chapter:

21 ~~1. "Ambulance operations area" means the geographic area in which the state~~
22 ~~department of health requires each licensed ambulance service to provide emergency~~
23 ~~medical services.~~

1 2.1. "Emergency medical services funding area" means a geographic area eligible for state
2 assistance and includes one or more licensed ambulance operations.

3 3.2. "Minimum reasonable cost" means the cost of operating one transporting ambulance
4 service or the sum of the cost to operate one transporting ambulance service and any
5 combination of one substation and one quick response unit.

6 4.3. "Required local matching funds" means revenue generated by the provision of
7 emergency medical services, local mill levies, local sales tax, local donations, and
8 in-kind donations of services.

9 **Emergency medical services advisory committee.**

10 ~~— The state department of health shall establish an emergency medical services advisory~~
11 ~~committee for the purpose of providing advice to the state department of health on issues that~~
12 ~~affect the emergency medical services industry. Committee membership must include~~
13 ~~representation from the emergency medical services industry and at least one consumer~~
14 ~~representative. Committee members are entitled to reimbursement for expenses in the manner~~
15 ~~provided in section 44-08-04.~~

16 There is established an emergency medical services advisory committee. The committee
17 consists of the state health officer or designee, one consumer representative appointed by the
18 legislative management, one member of the legislative assembly appointed by the legislative
19 management, one representative of an air ambulance services operation, one licensed
20 emergency medical services educator appointed by the North Dakota ambulance service
21 advocates, one representative of an ambulance service appointed by the North Dakota
22 ambulance service advocates, and one representative each of an urban, rural, and frontier
23 ground ambulance service operation appointed by the North Dakota emergency medical
24 services association for a total of three representatives one of whom may not be a member of
25 the North Dakota emergency medical services association.

26 The committee members must serve voluntarily and are entitled to reimbursement of
27 expenses in accordance with section 44-08-04.

28 The state health officer shall consider the recommendations of the committee on the
29 eligibility for state assistance for training and education as provided for in section 23-27-04.5,
30 the plan for integrated emergency medical services, development of emergency medical
31 services funding areas, and development of funding areas application process and budget

1 criteria, and other issues relating to emergency medical services as determined by the state
2 health officer.

3 **Emergency medical services funding areas.**

4 The state department of health shall establish and update biennially a plan for integrated
5 emergency medical services in this state. The plan must identify ambulance operations areas,
6 emergency medical services funding areas that require state financial assistance to operate a
7 minimally reasonable level of emergency medical services, and a minimum reasonable cost for
8 an emergency medical services operation. The department shall designate emergency medical
9 services funding areas based on criteria adopted by the health council and published in the
10 North Dakota Administrative Code.

11 **State financial assistance for emergency medical services - Confidential information**
12 **- Annual allocation.**

13 Emergency medical services operations that request financial assistance from the state
14 must provide requested fiscal information to the state department of health for use in financial
15 assistance determinations. All information provided to the department under this section is
16 confidential. The state department of health shall determine annually the allocation amount of
17 state financial assistance for each emergency medical services funding area based on the
18 department's determination of:

- 19 1. The minimum annual funding necessary to operate the emergency medical services
20 operation or service designated to operate in the ambulance funding area, based on
21 the financial needs unique to each emergency medical services funding area.
- 22 2. Required local matching funds commensurate with at least ten dollars per capita within
23 the emergency medical services funding area.

24 **State financial assistance for emergency medical services - Distribution limit.**

25 During the first year of the biennium, the state department of health may not distribute more
26 than one-half of the biennial legislative appropriation for state financial assistance for
27 emergency medical services.

28 ~~—SECTION 3. AMENDMENT. Section 23-27-01 of the North Dakota Century Code is~~
29 ~~amended and reenacted as follows:~~

~~23-27-01. License required -- Licensing of emergency medical services operations --~~

~~Exception -- Waiver.~~

- ~~1. The state department of health shall license emergency medical services operations. After June 30, 2001, the department shall limit the issuance of a license for any new emergency medical services operation based on the needs of the service area if the applicant for the new license was licensed before July 1, 2001, and was subsequently relicensed under section 23-27-04.5. Beginning August 1, 2011, the department shall ensure that all areas of the state are covered by reasonable ground ambulance response by establishing ambulance operations areas. Initially, ambulance operations areas must be conferred upon existing emergency medical services operations that have historically provided service to the area. Each ambulance operations area must be limited to one transporting ambulance service that must meet the performance standards adopted by the health council and published in the North Dakota Administrative Code. Upon failure of an emergency medical services operation to meet minimum performance standards, the state department of health may decrease or eliminate state financial assistance as part of the emergency medical services funding area plan and designate another emergency medical services operation to provide ground ambulance services in the ambulance operations area. A new applicant for ambulance licensure must prove that an existing emergency medical services operation is providing substandard service to the ambulance operations area or have written consent from the existing operation in order to operate in its ambulance operations area. A license for an emergency medical services operation is nontransferable.~~
- ~~2. Emergency medical services may not be advertised, offered, or provided to the public except by an licensed emergency medical services operator that provides the emergency medical services through emergency medical services personnel.~~
- ~~3. Except as otherwise provided under subsection 4, an emergency medical services operator must be separately licensed for each of the operator's emergency medical services operations and an operation that is headquartered from a separate location must be considered a separate operation. Under this subsection, an operation with a single headquarters site may dispatch vehicles and emergency medical services~~

1 personnel from ~~for~~ more than one location if calls requesting services are received and
2 orders for vehicle dispatch are made at the single headquarters site.

3 ~~4. Notwithstanding subsection 3, an operator of an emergency medical services-~~
4 ~~operation may operate one or more substation ambulance services operations under a~~
5 ~~single license if:~~

6 ~~a. The headquarters ambulance services operation is not a substation ambulance-~~
7 ~~services operation of another emergency medical services operation;~~

8 ~~b. The substation ambulance services operation area borders the headquarters-~~
9 ~~ambulance services operation area or borders another substation of the~~
10 ~~headquarters ambulance services operation;~~

11 ~~c. The headquarters ambulance services operation and the substation ambulance-~~
12 ~~services operation are dispatched by the same entity; and~~

13 ~~d. The operator of the emergency medical services operation pays a license fee for~~
14 ~~each of its substation ambulance services operations.~~

15 ~~5. The provisions of this chapter do not apply to an operator from another state which is~~
16 ~~headquartered at a location outside of this state and transports patients across state-~~
17 ~~lines, but the operator may not treat patients within this state or pick up patients within~~
18 ~~this state for transportation to locations within this state, except as provided by rule.~~

19 ~~6. The state health council shall adopt rules for special licenses and waiver provisions for~~
20 ~~an operator of an emergency medical services operation intended for industrial sites~~
21 ~~not available to the general public.~~

22 ~~**SECTION 4.** A new subsection to section 23-27-02 of the North Dakota Century Code is~~
23 ~~created and enacted as follows:~~

24 ~~"Ambulance operations area" means the geographic area in which the state-~~
25 ~~department of health requires each emergency medical services operation to provide-~~
26 ~~emergency medical services.~~

27 ~~**SECTION 5. AMENDMENT.** Subsection 1 of section 26.1-03-17 of the North Dakota~~
28 ~~Century Code is amended and reenacted as follows: _____~~

29 ~~_____ 1. Before issuing the annual certificate required by law, the commissioner shall~~
30 ~~collect from every stock and mutual insurance company, nonprofit health service-~~
31 ~~corporation, health maintenance organization, and prepaid legal service organization,~~

1 ~~except fraternal benefit and benevolent societies, doing business in this state, a tax on~~
2 ~~the gross amount of premiums, assessments, membership fees, subscriber fees,~~
3 ~~policy fees, service fees collected by any third-party administrator providing~~
4 ~~administrative services to a group that is self-insured for health care benefits, and~~
5 ~~finance and service charges received in this state during the preceding calendar year,~~
6 ~~at the rate of two percent with respect to life insurance, one and three-fourths percent~~
7 ~~with respect to accident and health insurance, and one and three-fourths percent with~~
8 ~~respect to all other lines of insurance. This tax does not apply to considerations for~~
9 ~~annuities. The total tax is payable on or before March first following the year for which~~
10 ~~the tax is assessable. Collections from this tax, except for collections deposited in the~~
11 ~~firefighters death benefit fund, must be deposited in the insurance tax distribution fund~~
12 ~~under section 18-04-04.1 but not in an amount exceeding one-half of the biennial~~
13 ~~amount appropriated for distribution under sections~~~~section 18-04-05 and~~
14 ~~23-40-05~~~~section 2 of this Act in any fiscal year. Collections from this tax in an amount~~
15 ~~of up to fifty thousand dollars per biennium, as may be necessary, are appropriated on~~
16 ~~a continuing basis for deposit in the firefighters death benefit fund for distribution under~~
17 ~~chapter 18-05.1. Collections from this tax exceeding the sum of the amount deposited~~
18 ~~in the insurance tax distribution fund and the amount deposited in the firefighters death~~
19 ~~benefit fund each fiscal year must be deposited in the general fund in the state~~
20 ~~treasury. If the due date falls on a Saturday or legal holiday, the tax is payable on the~~
21 ~~next succeeding business day.~~

22 **SECTION 2. REPEAL.** Chapter 23-40 of the North Dakota Century Code is repealed.

23 **SECTION 3. STATEMENT OF LEGISLATIVE INTENT.** The \$3,000,000 appropriation in
24 section 3 of this Act is in addition to the appropriation in 2011 House Bill No. 1004. The
25 combined appropriations must be used as the base level for the purpose of budgeting for the
26 2013-15 executive budget.

27 **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the ~~insurance-~~
28 ~~tax distribution~~~~general~~ fund in the state treasury, not otherwise appropriated, the sum of
29 ~~\$12,000,000~~~~\$3,000,000~~, or so much of the sum as may be necessary, to the state department
30 of health, for the purpose of providing state assistance grants to emergency medical services
31 operations and related administrative costs ~~in accordance with section 2 of this Act~~, for the

1 biennium beginning July 1, 2011, and ending June 30, 2013. The department may spend up to
2 \$562,500 of the appropriation provided in this section for grants under chapter 23-40 and any
3 remaining funds for grants in accordance with section 1 of this Act.

4 **SECTION 5. EFFECTIVE DATE.** Section 2 of this Act becomes effective on January 1,
5 2012.