

2023 HOUSE HUMAN SERVICES

HB 1294

2023 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Pioneer Room, State Capitol

HB 1294
1/16/2023

A BILL for an Act to provide an exemption; and to provide for the distribution of state financial assistance to eligible ambulance service operations.
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Vice Chairman Ruby called the meeting to order at 2:29PM.

Chairman Robin Weisz, Vice Chairman Matthew Ruby, Reps. Karen A. Anderson, Mike Beltz, Clayton Fegley, Kathy Frelich, Dawson Holle, Dwight Kiefert, Carrie McLeod, Todd Porter, Brandon Prichard, Karen M. Rohr, Jayme Davis, and Gretchen Dobervich. All present.

Discussion Topics:

- Budgeting for ambulance services
- Ambulance mills
- Insurance reimbursements

Rep. Weisz introduced HB 1294, speaking in favor of bill.

Adam Parker, with the North Dakota Emergency Medical Services Association, supportive testimony (#13546).

Vice Chairman Ruby adjourned the meeting at 2:51PM.

Phillip Jacobs, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Pioneer Room, State Capitol

HB 1294
1/18/2023

A BILL for an Act to provide an exemption; and to provide for the distribution of state financial assistance to eligible ambulance service operations.

Vice Chairman Ruby called the meeting to order at 10:50 AM.

Chairman Robin Weisz, Vice Chairman Matthew Ruby, Reps. Karen A. Anderson, Mike Beltz, Clayton Fegley, Kathy Frelich, Dawson Holle, Dwight Kiefert, Carrie McLeod, Todd Porter, Brandon Prichard, Karen M. Rohr, and Jayme Davis present. Rep. McLeod and Rep. Dobervich not present.

Discussion Topics:

- Committee work
- Amendment

Chairman Weisz called for a discussion on HB 1294 and the proposed amendment #19943

Vice Chairman Ruby moved to amend HB 1294 with #23.0857.01001

Seconded by Rep. Rohr.

Motion carries by voice vote.

Rep. Fegley moved a do pass as amended on HB 1294.

Seconded by Rep. Rohr.

Roll Call Vote:

Representatives	Vote
Representative Robin Weisz	Y
Representative Matthew Ruby	Y
Representative Karen A. Anderson	Y
Representative Mike Beltz	Y
Representative Jayme Davis	Y
Representative Gretchen Dobervich	AB
Representative Clayton Fegley	Y
Representative Kathy Frelich	Y
Representative Dawson Holle	Y
Representative Dwight Kiefert	Y
Representative Carrie McLeod	AB
Representative Todd Porter	Y

Representative Brandon Prichard	Y
Representative Karen M. Rohr	Y

Motion carries 12-0-2.

Carried by Rep. Frelich.

Chairman Weisz adjourned the meeting at 10:55 AM.

Phillip Jacobs, Committee Clerk

January 18, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1294

Page 2, after line 9, insert:

- "5. A response area acquired after April 1, 2022, due to an adjacent ambulance service closure is not calculated in the operations response area for the purpose of the grant calculation."

Renumber accordingly

JA 1-18-23

REPORT OF STANDING COMMITTEE

HB 1294: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1294 was placed on the Sixth order on the calendar.

Page 2, after line 9, insert:

- "5. A response area acquired after April 1, 2022, due to an adjacent ambulance service closure is not calculated in the operations response area for the purpose of the grant calculation."

Renumber accordingly

2023 SENATE HUMAN SERVICES

HB 1294

2023 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Lincoln Room, State Capitol

HB 1294
3/20/2023

Relating to an exemption; and to provide for the distribution of state financial assistance to eligible ambulance service operations.

10:03 AM **Madam Chair Lee** called the hearing to order.

Senators Cleary, Clemens, K. Roers, Hogan, Weston were present. **Senator Lee** was absent.

Discussion Topics:

- State support
- Reimbursement
- Mill levy

10:04 **Bill Kalanek, Lobbyist Emergency Management Association**, introduced **Adam Parker**, testified in favor, and proposed an amendment. #25899

10:05 AM **Adam Parker, North Dakota Emergency Medical Services of Association**, introduced HB1294 and testified in favor. #25896

10:23 AM **Senator Lee** closed the hearing.

Senator Lee calls for discussion.

Senator K. Roers moved **DO PASS** to adopt amendment LC 23.0857.02001.

Senator Hogan seconded the motion.

Roll call vote.

Senators	Vote
Senator Judy Lee	AB
Senator Sean Cleary	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Kent Weston	Y

The motion passed 5-0-1.

Senator Hogan moved **DO PASS** as **AMENDED**.

Senator K. Roers seconded the motion.

Roll call vote.

Senators	Vote
Senator Judy Lee	AB
Senator Sean Cleary	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Kent Weston	Y

Motion passed 5-0-1

Senator K. Roers will carry HB 1294

10:25 AM **Vice Chairman Cleary** closed the hearing.

Patricia Lahr, Committee Clerk

March 20, 2023

JA
3/21/23

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1294

Page 1, line 14, replace "sixty" with "one hundred twenty-five"

Page 1, line 15, replace "sixty" with "one hundred twenty-five"

Page 2, line 3, after "3." insert "The maximum total grant calculation for each operation, after accounting for the deductions in subsection 2, may not exceed two hundred twenty-five thousand dollars.

4."

Page 2, line 7, replace "4." with "5."

Page 2, line 10, replace "5." with "6."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1294, as engrossed: Human Services Committee (Sen. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1294 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 14, replace "sixty" with "one hundred twenty-five"

Page 1, line 15, replace "sixty" with "one hundred twenty-five"

Page 2, line 3, after "3." insert "The maximum total grant calculation for each operation, after accounting for the deductions in subsection 2, may not exceed two hundred twenty-five dollars.

4."

Page 2, line 7, replace "4." with "5."

Page 2, line 10, replace "5." with "6."

Renumber accordingly

TESTIMONY

HB 1294

Executive Offices
1622 East Interstate Avenue
Bismarck, ND 58503



701-221-0567
ndemsa.office@ndemsa.org
www.ndemsa.org

Testimony
House Bill 1162
House Human Services Committee
Monday, January 16, 2023
North Dakota Emergency Medical Services Association

Good afternoon, Chairman Weisz and members of the committee. My name is Adam Parker, I represent the North Dakota Emergency Medical Services Association. The Association supports HB 1162.

Ambulance services are funded primarily through insurance reimbursements, local tax support, and state support. This bill represents the formula that determines how state support is distributed to each service. The formula has remained largely unchanged since 2019. Each biennium stakeholders contemplate various changes to the formula, but in the end determine a consistent formula is better than continually altering it since there are always winners and losers with any change.

The formula first determines a “minimum reasonable budget” for operating an ambulance service. This is determined by multiplying the average call volume for the service by the average expense per call. Here, we calculate the cost per call to be \$1,750 per call based on data submitted to the state in the most recent grant cycle. The floor for the minimum reasonable budget is \$60,000 since the above calculation does not adequately represent costs for the lowest call volume services.

Once the reasonable budget is determined, the formula subtracts two of the primary funding sources from the reasonable budget – insurance reimbursement and local tax support.

Insurance reimbursement is determined based on multiplying the average call volume by the average reimbursement, which was also determined based on data submitted to the state in the most recent grant cycle. Here, that number is \$750 per call.

The local tax support is determined based on the property tax valuation of the agencies service area multiplied by five mills. Property taxes are the primary source of local funding for ambulance services across the state. The formula assumes the service levies five mills, regardless of the local support actually received by the service.

Once the insurance reimbursement and local tax support is determined, the product of those numbers are subtracted from the minimum reasonable budget. The resulting number is the eligible grant amount, subject to the appropriated amount. The last grant was prorated and only 29% of the agencies eligible grant amount was distributed to the agency.

Lastly, ambulance services that exceed an average call volume of 700 are excluded from the grant. This is an imperfect solution to the problem that the grant needs to end somewhere. The



700-call volume cut off, which has been in place since the inception of the formula, assumes these services no longer need state support because they can be funded exclusively on insurance reimbursements and minimal local support.

The only change in the formula from the previous biennium is setting the average cost per call and reimbursement per call. This was previously determined by data submitted to HHS from agencies. This resulted in uncertainty to what the numbers would ultimately be and delays in the grant distribution. This change will hopefully streamline the grant cycle and result in greater predictability.

The Association also requests an amendment to address ambulance service closures. The local tax support calculation in the formula is determined based on the ambulance service area. When an ambulance closes the neighboring ambulances are reallocated the service area. This increase in area equates to an increase in property valuation resulting in a decreased eligible grant amount. This only exacerbates the stress placed on neighboring services when an ambulance closes. The amendment would delay the new area from being calculated in the grant to allow the agencies time to establish local tax support in the newly acquired area.

Thank you for the opportunity to testify, I would be happy to answer any questions you may have.

Amendment to HB 1294

Insert after sub 4. Page 2 a new subsection 5.

5. Response area acquired after April 1 2022 due to an adjacent ambulance service closure is not calculated in the operations response area for the purpose of the grant calculation.

Executive Offices
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Bismarck, ND 58503



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ndemsa.office@ndemsa.org
www.ndemsa.org

Testimony
House Bill 1294
Senate Human Services Committee
Monday, March 20, 2023
North Dakota Emergency Medical Services Association

Good morning, Madam Chair and members of the committee. My name is Adam Parker with the North Dakota Emergency Medical Services Association. The Association supports HB 1294.

Ambulance services are funded primarily through insurance reimbursements, local tax support, and state support. This bill represents the formula that determines how state support is distributed to each service. The formula has remained largely unchanged since 2019. Each biennium stakeholders contemplate various changes to the formula, but in the end determine a consistent formula is better than continually altering it since there are always winners and losers with any change.

The formula first determines a “minimum reasonable budget” for operating an ambulance service. This is determined by multiplying the average call volume for the service by the average expense per call. Here, we calculate the cost per call to be \$1,750 based on data submitted to the state in the most recent grant cycle. The floor for the minimum reasonable budget is \$60,000 since the above calculation does not adequately represent costs for the lowest call volume services.

Once the reasonable budget is determined, the formula subtracts two of the primary funding sources from the reasonable budget – insurance reimbursement and local tax support.

Insurance reimbursement is determined based on multiplying the average call volume by the average reimbursement, which was also determined based on data submitted to the state in the most recent grant cycle. Here, that number is \$750 per call.

The local tax support is determined based on the property tax valuation of the agencies service area multiplied by five mills. Property taxes are the primary source of local funding for ambulance services across the state. The formula assumes the service levies five mills, regardless of the local support actually received by the service.

Once the insurance reimbursement and local tax support is determined, the product of those numbers are subtracted from the minimum reasonable budget. The resulting number is the eligible grant amount, subject to the appropriated amount. The last grant was prorated and only 29% of the agencies eligible grant amount was distributed to the agency.

Lastly, ambulance services that exceed an average call volume of 700 are excluded from the grant. This is an imperfect solution to the problem that the grant needs to end somewhere. The 700-call volume cut off, which has been in place since the inception of the formula, assumes

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these services no longer need state support because they can be funded exclusively on insurance reimbursements and minimal local support.

The only change in the formula from the previous biennium is setting the average cost per call and reimbursement per call. This was previously determined by data submitted to HHS from agencies. This resulted in uncertainty to what the numbers would ultimately be and delays in the grant distribution. This change will hopefully streamline the grant cycle and result in greater predictability.

The House added an amendment deferring the service areas taxable valuation calculation if new area has been acquired due to a neighboring ambulance closure. The Association strongly supports this change. The local tax support calculation in the formula is determined based on the ambulance service area. When an ambulance closes the neighboring ambulances are reallocated the service area. This increase in area equates to an increase in property valuation resulting in a decreased eligible grant amount. This only exacerbates the stress placed on neighboring services when an ambulance closes. The change allows for a delay in the new area being calculated in the grant to allow the agencies time to establish local tax support in the newly acquired area.

Lastly, the Association requests an amendment to raise the minimum reasonable budget to \$125,000 and cap the total grant calculation at \$225,000. The attached document shows a projection of the grant calculation per service. As you can see, the largest ambulances receive significant annual funding with many small services seeing little to no funding. We feel the proposed amendments would ensure the smaller services are adequately factored into the grant calculation.

Thank you for the opportunity to testify, I would be happy to answer any questions you may have.

Grantee Name	Grant Amount (current bill)	Grant Amount (w/ Amendments)	2021-2022 (Annualized)
Almont Ambulance Service	\$ 39,734.28	\$ 104,734	\$ 15,068
Ashley Ambulance Service	\$ 108,191.82	\$ 108,192	\$ 51,151
Belfield Ambulance Service Inc.	\$ -	\$ -	\$ 6,433
Berthold Ambulance Service, Inc.	\$ -	\$ -	\$ 8,534
Billings County Ambulance Service	\$ 165,863.15	\$ 165,863	\$ 68,870
Bottineau Ambulance Service	\$ 287,075.01	\$ 225,000	\$ 106,150
Bowbells Ambulance Service	\$ -	\$ 63,993	\$ 11,329
Bowdon Ambulance Service District	\$ -	\$ 56,562	\$ 12,541
Carrington Health Center Ambulance	\$ 110,376.45	\$ 110,376	\$ 52,346
Casselton Ambulance Service, Inc.	\$ -	\$ 65,125	\$ -
Cavalier Ambulance Service, Inc.	\$ 290,408.81	\$ 225,000	\$ 107,211
Community Ambulance Service of New Rockford	\$ 69,333.88	\$ 69,334	\$ 39,363
Community Ambulance Service, Inc. - Beach	\$ 71,790.03	\$ 71,790	\$ 40,160
Community Volunteer EMS of LaMoure	\$ 5,484.79	\$ 5,485	\$ 20,167
Cooperstown Ambulance Service	\$ 144,016.50	\$ 144,017	\$ 62,220
Divide County Ambulance District	\$ -	\$ -	\$ 16,458
Drayton Volunteer Ambulance Association	\$ 58,418.88	\$ 58,419	\$ 35,982
Edgeley Ambulance Service	\$ -	\$ 8,550	\$ 16,140
Ellendale Community Ambulance Service	\$ 64,329.41	\$ 64,329	\$ 37,921
Emmons County Ambulance	\$ 176,487.73	\$ 176,488	\$ 72,590
Fessenden Ambulance Service	\$ -	\$ 25,304	\$ 12,698
First Medic Ambulance of Ransom County, Inc.	\$ 420,091.80	\$ 225,000	\$ 146,578
Flasher Ambulance Service	\$ -	\$ 54,727	\$ 10,141
Gackle Ambulance Service	\$ 14,680.36	\$ 14,680	\$ 22,720
Garrison Ambulance District	\$ 423,828.95	\$ 225,000	\$ 147,381
Glen Ullin Ambulance Service	\$ 102,028.05	\$ 102,028	\$ 49,256
Halliday Fire Protection District	\$ 21,580.12	\$ 23,205	\$ 24,757
Hankinson Ambulance District/Volunteer Service	\$ 53,809.22	\$ 53,809	\$ 34,795
Harvey Ambulance Service, Inc.	\$ 106,842.47	\$ 106,842	\$ 51,396
Hebron Ambulance Service	\$ 29,301.58	\$ 29,302	\$ 27,086
Hunter Ambulance Service	\$ -	\$ -	\$ -
Kenmare Ambulance Service	\$ 13,418.95	\$ 13,419	\$ 22,392
Kidder County Ambulance Service	\$ 149,617.55	\$ 149,618	\$ 63,820
Killdeer Area Ambulance Service Inc	\$ 313,028.11	\$ 225,000	\$ 114,532
Kulm Ambulance Corps, Inc.	\$ -	\$ 27,417	\$ 10,158
Lakota Ambulance Service	\$ 39,260.85	\$ 39,261	\$ 30,166
Langdon Ambulance Service	\$ 30,912.76	\$ 30,913	\$ 28,333
Leeds Ambulance Service	\$ -	\$ 15,688	\$ 17,749
Lidgerwood Rural Ambulance Service District	\$ 38,489.62	\$ 38,490	\$ 29,905
Maddock Ambulance Service, Inc.	\$ 25,505.73	\$ 26,256	\$ 25,935
Mandaree EMS	\$ 92,443.38	\$ 92,443	\$ 46,417
Marmarth Ambulance Service, Inc.	\$ 32,959.07	\$ 97,959	\$ 13,569

McHenry Ambulance Service	\$ 3,380.35	\$ 68,380	\$ 9,471
Mcville Community Ambulance Service	\$ 61,958.35	\$ 61,958	\$ 37,197
Medina Ambulance Service	\$ -	\$ 9,710	\$ 14,637
Mercer County Ambulance Service Inc. -- Beulah	\$ 59,566.04	\$ 59,566	\$ 37,343
Mercer County Ambulance Service Inc. -- Hazen	\$ 175,516.25	\$ 175,516	\$ 72,582
Michigan Area Ambulance Service	\$ 19,329.67	\$ 19,330	\$ 24,093
Mohall Ambulance Service	\$ 90,388.71	\$ 90,389	\$ 45,987
Mott Ambulance Service	\$ 24,770.07	\$ 24,770	\$ 25,778
Munich Ambulance Service	\$ -	\$ 50,621	\$ 1,775
Napoleon Ambulance Service	\$ 102,752.46	\$ 102,752	\$ 49,449
New England Ambulance Service	\$ 5,709.20	\$ 5,709	\$ 20,017
New Leipzig Ambulance Service	\$ 49,129.69	\$ 49,130	\$ 33,253
New Salem Ambulance Service	\$ 64,764.35	\$ 64,764	\$ 37,990
Northwood Ambulance Service	\$ 104,293.10	\$ 104,293	\$ 50,134
Oakes Volunteer Ambulance Service	\$ 326,939.80	\$ 225,000	\$ 117,744
Oliver County Ambulance	\$ 7,497.86	\$ 32,748	\$ 20,477
Page Ambulance Service	\$ -	\$ 46,360	\$ -
Park River Volunteer Ambulance Service, Inc.	\$ 225,563.03	\$ 225,000	\$ 87,033
Parshall Ambulance Service	\$ 211,009.88	\$ 211,010	\$ 82,490
Pembina Ambulance Service, Inc.	\$ 14,599.79	\$ 34,600	\$ 22,618
Plaza Ambulance Service	\$ 16,469.19	\$ 81,469	\$ 16,033
Portal Ambulance Service	\$ -	\$ 42,800	\$ 8,420
Powers Lake Ambulance Association	\$ -	\$ 47,392	\$ 16,668
Regent Ambulance Service	\$ -	\$ 62,598	\$ 15,669
Richardton-Taylor Ambulance Service	\$ 48,940.21	\$ 48,940	\$ 33,213
Riverdale Ambulance Service	\$ -	\$ 53,115	\$ 17,324
Rock Lake Ambulance Service	\$ 5,981.75	\$ 70,982	\$ 8,928
Rolette Ambulance Service, Inc	\$ 93,008.24	\$ 93,008	\$ 46,444
Rugby Emergency Ambulance Service	\$ 294,793.39	\$ 225,000	\$ 108,333
Sanford Hillsboro Ambulance Service, Inc.	\$ 62,225.64	\$ 62,226	\$ 38,168
Sargent County Amb Service - Forman	\$ -	\$ -	\$ 16,941
Sargent County Ambulance Service - Milnor	\$ 36,081.67	\$ 36,082	\$ 29,360
Southwest Healthcare Services (Bowman Ambulance)	\$ 112,818.22	\$ 112,818	\$ 53,058
Tioga Fire Dept. & Ambulance Service	\$ -	\$ -	\$ -
Towner County Ambulance Service Inc. - Cando	\$ 16,897.07	\$ 16,897	\$ 23,539
Underwood Ambulance Service	\$ 63,889.00	\$ 63,889	\$ 37,448
Walhalla Ambulance Service	\$ 102,904.44	\$ 102,904	\$ 49,454
Washburn Volunteer Ambulance Service, Inc.	\$ 36,291.68	\$ 36,292	\$ 29,397
West River Ambulance Service	\$ 302,113.17	\$ 225,000	\$ 110,160
West Traill Ambulance Service, Inc.	\$ 245,697.36	\$ 225,000	\$ 93,380
Westhope Ambulance Service	\$ -	\$ -	\$ 17,898
White Shield EMS	\$ 58,407.67	\$ 58,408	\$ 35,901
Wilton Rural Ambulance District	\$ 41,015.68	\$ 41,016	\$ 30,760
Wing Rural Ambulance	\$ 29,108.51	\$ 94,109	\$ 23,518
Wishek Ambulance Service	\$ 105,280.14	\$ 105,280	\$ 50,300
Wyndmere-Barney Rural Amb Dist	\$ 27,716.27	\$ 27,716	\$ 26,698

Amendment to HB 1294, ND EMS Association

SECTION 1. EXEMPTION - AMBULANCE SERVICE OPERATION FUNDING DISTRIBUTION. Notwithstanding section 23-46-04 relating to state financial assistance for emergency medical services, during the biennium beginning July 1, 2023, and ending June 30, 2025, the department of health and human services, in consultation with the emergency medical services advisory council, shall provide state financial assistance to each eligible ambulance service operation pursuant to the following calculation:

1. The minimum reasonable budget for each operation must be determined by adding the product of the operation's average number of runs for the two most recent calendar years multiplied by the cost of a run. The cost of a run for this biennium is one thousand seven hundred fifty dollars. If the average runs multiplied by the cost of a run equals less than ~~sixty thousand dollars~~ one hundred twenty-five thousand dollars, the minimum reasonable budget for that ambulance service is ~~sixty thousand dollars~~ one hundred twenty-five thousand dollars.
2. The operation's grant amount must be determined by deducting the following amounts from the operation's budget calculated under subsection 1:
 - a. The product of the operation's average number of runs for the two most recent calendar years multiplied by the reimbursement for a run. The reimbursement for a run is seven hundred fifty dollars; and
 - b. The product of the property tax valuation of the operation's response area for the most recent taxable year multiplied by five mills. The property tax valuation of the operation's response area must be provided by the county auditor annually no later than July thirty-first. If the response area covers multiple counties, the county auditor with the most response area is responsible for coordinating with the other county auditors.
 - c. The maximum allowable grant calculation shall not exceed two hundred twenty-five thousand dollars.