

March 5, 2024

Senator Grant Hauschild
95 University Avenue W.
Minnesota Senate Bldg., Room 3111
St. Paul, MN 55155

RE: Emergency Medical Services in Greater Minnesota

Senator Hauschild,

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 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 law-enforcement.
- 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.
- Broadly fund EMS education. 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,

/s/

Kurt Mortenson,

Chair, Board of Commissioners