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Testimony in support of LD 1859

*An Act To Build More Sustainable Ambulance Services in Communities*

Wednesday February 2, 2022

Senator Deschambault, Representative Warren, and members of the Joint Standing Committee on Criminal Justice and Public Safety. My name is Jay Bradshaw; I live in Belgrade and am the Executive Director of the Maine Ambulance Association. The Maine Ambulance Association is a non-profit trade association that represents EMS services of all sizes and types (i.e. municipal, hospital, private, and volunteer).

We are submitting this testimony in support of LD 1859 with the amendment presented by Sen Curry.

This committee has heard many times about the challenges faced by all public safety organizations. When these challenges deal with emergency medical services and land on the desk of municipal leaders, trying to navigate those complex public safety, health care, and public health waters presents its own set of challenges.

Unlike other public safety agencies, EMS in the form of ambulance services offers the potential for reimbursement when patients are transported. For this reason, it can be initially appealing to those looking for ways to reduce taxpayer burdens.

However – and this is a big however - it is very expensive to operate an ambulance service. A new ambulance costs ~ \$250,000 with an additional \$75,000 for equipment and supplies (radio, cardiac monitor, stretcher, etc.). It then requires 8.6 FTEs to provide 24/7 staffing. In an article published this past Monday, the City of Augusta calculated that the annual total cost of each position is \$108,000; this means staffing one ambulance costs almost \$930,000 per year.

There are then many other factors that need to be considered when estimating expenses and revenues, starting with the fact that the primary insurance payors in Maine are MaineCare and Medicare, neither of whom cover the full cost of ambulance service. Then one must take into consideration the number of calls, type of calls, transporting distance (payment is only made for loaded miles), types of insurance coverage, cost to handle billing and collections, and write-offs due to no insurance or a patient's inability to pay. The bottom line is that when everything is taken into consideration, a service needs to handle close to 2,000 calls per year to break even – for one ambulance. Ninety percent of Maine's ambulance services do not hit this mark, which means that the burden then shifts to local taxpayers – and it can be an expensive shift.

When municipalities are faced with how to address their local need, it can be daunting to objectively consider all options. Because operating an ambulance service is quite unlike other municipal operations, understanding those differences requires specialized knowledge and data – including a careful assessment of the impact on existing resources and even the impact on other ambulance services.

Fortunately, there are resources available that can help. The federal Health Resources & Services Administration (HRSA) has a Rural Ambulance Service Budget Model manual and spreadsheet tool that can help municipalities start to get their arms around the complexity of running an ambulance service – and closer to home the Rural Health Action Network developed a process called Informed Community Self Determination (ICSD) that uses a team of specially trained subject matter experts to go beyond an Excel spreadsheet and work with communities to identify and decide on realistic options. This model has been successfully used in several parts of Maine and is described in more detail by testimony provided by Kevin McGinnis, president of the Friends of EMS for Maine – a non-profit 501(c)(3).

The amended bill before you will make significant strides in helping struggling municipalities develop a plan that meets the emergency needs of those communities without putting an excessive (and often surprising) burden on taxpayers.

We are pleased to offer our full support to this bill as amended and ask you to do the same.

Thank you.