



On behalf of ambulance and EMS providers across Minnesota, we write to share our serious concerns about potential proposals to dismantle Minnesota's effective and time-tested Primary Service Area (PSA) system for Emergency Medical Services (EMS). PSAs were enacted in the 1970s after competition for emergency patients was proven to have a negative impact on patient care. The goal of an effective EMS system is to provide emergency medical care to all who need it. Other states who have implemented a sole competition model have not seen increased profits as intended, and the competition-based changes instead complicated their emergency response system.

Currently, Minnesota is divided into more than 250 PSAs that have unique geographic areas in which licensed ambulance services are responsible to provide care and transportation to residents. Within area boundaries, the licensee must ensure 24-hour coverage every day of the year and an ambulance service may not deny ambulance care to anyone within the service area based upon the individual's ability to pay. PSAs work because they aren't a patchwork of providers competing for the best paying transports but rather are set service areas that serve a broad community, ensuring no individual, community, neighborhood, or rural area is excluded.

It is our understanding that some cities and communities in Minnesota that do not currently control their own ambulance licenses are interested in doing so and plan to bring forward legislation in 2023 to change the current PSA model. Our organizations understand that some local leaders would like to have more input into which service provides ambulance care and transportation in their areas and we believe there are ways to do this without dismantling the system.

While our current system should continue to evaluate its model and needed policy improvements, an audit released last February by the Office of the Legislative Auditor (OLA) recommended that PSAs remain in place. However, it did recommend that the legislature should establish a process through which local units of government can provide input into the process. Current statute allows that now. Other input by "all" involved entities should also be considered including funding of EMS, especially rural underserved areas of the State.

There are many challenges impacting EMS providers around the state including significant workforce shortages, funding, reimbursement from insurance companies, low payment from Government payors, response time and patient care. Dismantling the PSA system could lead to more destabilization for service providers who are already struggling. It could also lead to larger, for-profit multi-state providers trying to break into the Minnesota market. Should these large companies enter Minnesota, it will change the entire nature of our industry.

Currently, providers are local and aware of the needs of their unique communities. They understand local aspects of the health care delivery system and are integrated into it. They do not have to answer to stockholders or investors. Out-of-state corporations have no local roots and minimal accountability to their service areas. There are several examples, drawn from other states, where large for-profit providers enter a market, offer low bids, and drive out potential competition. Once they have solidified their presence in a community, they seek additional compensation or leave.

Our main goal in writing to you is to emphasize the gravity of this potential change for emergency medical services (EMS) around the state, and that this change could negatively impact patient care. There needs to be an approach to this proposal that all sides can agree to, and we believe we can find compromise language that addresses issues of some local communities but does not dismantle our current system.

If you have questions, please reach out to Buck McAlpin with the MN Ambulance Association at buck@libbylawoffice.com or 763-213-2645. Thank you for taking the time to read our concerns and we look forward to working with you this session.

Sincerely,

Bradly Hanson

CentraCare Emergency Medical Services