

# **RINGDAHL 67 AMBULANCE SERVICE**

**214 East Junius**

**Fergus Falls, MN 56537**

**Bus. Office Phone (218) 736-2819**

March 5, 2024

RE: Ambulance Subsidy

Dear City/Township Board:

As you may have seen in local and national media, Emergency Medical Services (EMS) is at a catastrophic crossroads. Due to lack of adequate reimbursements from Federal Medicare and State Medicaid, EMS agencies across the state and nation are decreasing service and at times simply closing the doors. This issue is real and has affected us locally at Ringdahl EMS. Although there is a lot of work being done by state and federal stakeholders, we are told the permanent "fix" to this problem is no sooner than 4 years out. The cost to provide 24/7 availability of EMS crews and the cost to respond to ambulance calls is no longer sustainable under the current funding model.

To continue to respond in the way the public expects, and until such time that reimbursements increase above the cost to run the service, EMS will need to be "shored up" by some form of subsidy. For those townships that have provided this assistance in the past, we sincerely appreciate your support. For those that have not considered this we need your support now.

Locally, we have been working with the Otter Tail County Commission to find a temporary fix to this problem and they have directed us to go directly to the townships. We have collected a lot of data and would be happy to meet with your townships or city leaders directly to discuss the issues and possible solutions. Please reach out to us at any time so we can provide more information as we recognize this letter may not "paint the whole picture" or may need further explanation.

We are requesting a subsidy of \$19.34 per household in your township/city (number assumes that all receiving services participates). This model is currently being used elsewhere in our county by Perham EMS and captures the seasonal increase that we see versus a per capita basis. This funding does not provide a financial gain for the service, it merely offsets some of the continuous losses in operating revenue. If we do not receive these subsidies, we will not be able to continue to provide the same level of response that you are used to.

We have included a portion of the data we presented to the Otter Tail County Commission as well as a sample of a recent article related to the EMS crisis and a letter to state legislators.

Ringdahl Ambulance has been providing quality care since 1967. We have taken a lot of pride in delivering emergency services to our citizens, we want to continue to provide excellent care with great response times in your greatest time of need. Thank you for your support!

# **RINGDAHL**

## **67 AMBULANCE SERVICE**

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### AGREEMENT FOR AMBULANCE SERVICE

THIS AGREEMENT, made this 5<sup>th</sup> day of March 2024, by and between the  
City of Vergas hereinafter referred to as the party of the first part, and RINGDAHL  
AMBULANCES, INC., a Minnesota Corporation, hereinafter referred to as the party of the second part.

WHEREAS it is considered necessary to the Health and Welfare of the people of Vergas that ambulance  
service be available in time of medical emergencies and non-emergencies as well.

THEREFORE, for and in consideration of the sums hereinafter, the parties hereto agree as follows:

1. Party of the second party agrees to provide the residents of Vergas with efficient and prompt ambulance  
service, complying with all laws and regulations as set forth by the State of Minnesota, Minnesota Department of Health, and all  
Federal Agencies, on a twenty-four hour basis, answering all emergency and non-emergency calls for aid.

2. Party of the first part agrees to pay the party of the second party the sum of \$ 7,117.00 for a one-year period to  
assure itself with service as stated (1), for the year beginning January 1, 2024 and ending December 31, 2024

3. Nothing in this agreement shall be construed to prevent the party of the second part from charging the users of the ambulance  
service a fair and reasonable fee for such service. It is further understood and agreed to that the party of the first part is in no way  
responsible for the collection and payment of these fees and that is responsibility rests solely upon the party of the second part.

IN WITNESS WHEREOF, the party of the second part has hereunto set his hand as an Officer of the Corporation and executed by  
its Clerk and Clerk by and with the authority of its Board.

RINGDAHL AMBULANCES, INC.



RINGDAHL AMBULANCE SERVICE

CLERK/TREASURER

CITY/TOWNSHIP OF

MAYOR/CHAIRMAN

# Ringdahl EMS Ambulance Subsidy

EMS Dollar Levy	Levy per Resident
\$630,000	\$19.34

Service Area	Total Households	Population	Total Subsidy	Current Levy	Difference
<b>Pelican Rapids Service Area</b>					
<b>Townships</b>					
Scambler	1,146	568	\$ 22,164	\$ 7,100	\$ (15,064)
Dunn	2,565	929	\$ 49,607	\$ 11,312	\$ (38,295)
Cundor	913	621	\$ 17,657		
Norwegian Grove	456	340	\$ 8,819	\$ 4,250	\$ (4,569)
Pelican Rapids	677	574	\$ 13,093	\$ 10,387	\$ (2,706)
Lida	1,863	780	\$ 36,030	\$ 9,750	\$ (26,280)
Dora	1,501	697	\$ 29,029		
Trondjem	323	177	\$ 6,247	\$ 2,212	\$ (4,035)
Erhads Grove	464	411	\$ 8,974		
Maplewood	444	294	\$ 8,587		
Star Lake	902	446	\$ 17,445		
<b>Cities</b>					
Pelican Rapids	1,070	2,577	\$ 20,694	\$ 32,212	\$ 11,518
Erhard	123	132	\$ 2,379	\$ 1,650	\$ (729)
Rothsay	124	197	\$ 2,398		
Vergus	368	348	\$ 7,117		
<b>Fergs Falls Service Area</b>					
<b>Townships</b>					
Oscar	353	208	\$ 6,827		
Elizabeth	998	843	\$ 19,301		
Friberg	844	800	\$ 16,323		
Maine	1,200	665	\$ 23,208		
Amor	1,187	481	\$ 22,957		
Carlisle	273	178	\$ 5,280		
Fergus Falls	613	747	\$ 11,855		
Aurdal	1,237	1,540	\$ 23,924		
Sverdrup	814	646	\$ 15,743		
Everts	1,751	759	\$ 33,864		
Orwell	253	144	\$ 4,893		
Buse	532	474	\$ 10,289		
Dain Prairie	934	887	\$ 18,064		
Western	254	117	\$ 4,912		
Aastud	314	191	\$ 6,073		
<b>Cities</b>					
Elizabeth	142	168	\$ 2,746		
Fergus Falls	6,936	14,119	\$ 134,142		
Underwood	307	356	\$ 5,937		
Battle Lake	694	857	\$ 13,422		
				\$	-
	32,575	33,271	\$ 630,000	\$ 78,873	



- **We encourage you to designate EMS as an essential service.** Thirteen states and the District of Columbia have designated EMS as an essential service in state statute, but Minnesota is not one of them. 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 would encourage investments in EMS, like fire departments and law-enforcement.
- **We encourage you to 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 incurred to respond. Minnesota should require fair reimbursement of care provided without the need for transportation.
- **We encourage you to include ambulance protection in the No Surprises Act.** Because payers often reimburse ambulances at 30-50% of the cost to provide services, ambulances rely on balance billing to patients to cover their costs to respond. Balance billing prohibitions further threaten the EMS industry's ability to cover the cost of providing care through reimbursement. Patients should not receive a balance bill if they have purchased insurance coverage that promises to pay for these services and should also not be subjected to hidden restrictions. Similarly, ambulance services should be protected from having to accept rates dictated to them by insurers who refuse to negotiate or that are inconsistent with the regulated rates established by state/local governments.
- **We encourage you to broadly fund EMS education.** The pandemic strained the workforce, placed new demands on services, and generated enormous 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 is a long-term problem that has been building for decades. The additional burdens placed on EMS during the pandemic exacerbated the challenge, 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,

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Otter Tail County Board of Commissioners

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Otter Tail County Emergency Management



# Otter Tail County Ambulance Operations

At any given moment in Otter Tail County, there are **eleven ambulances prepared to respond to emergencies**. Seven are staffed Advanced Life Support (ALS) ambulances, and four are volunteer staffed Basic Life Support (BLS) ambulances. One BLS service also provides part-time ALS support.

These ambulances respond to **8,000+ calls** annually, of these about **6,000 occur within Otter Tail County**.

**Four of the ambulance services** rely on volunteer labor. For example, they may pay between **\$1.50-\$4.00 an hour** for readiness or may pay a flat rate for a response (e.g. \$50).



EMS providers are highly trained, compassionate, and work extended hours in difficult environments. It is common to work 12-72 hours at a time.



To staff the ambulances serving OTC 24:7, we need

**192,720 hours**

of labor from trained staff, or 92.6 full time positions.



Our current EMS system relies on

**36% volunteers**

but declining volunteerism makes this unsustainable.



Without volunteers, OTC would need

**\$1.4 million**

of additional labor from hired staff.

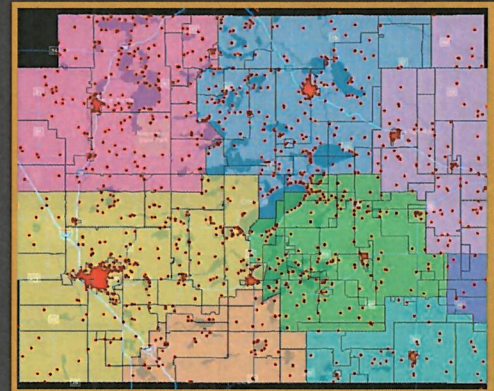
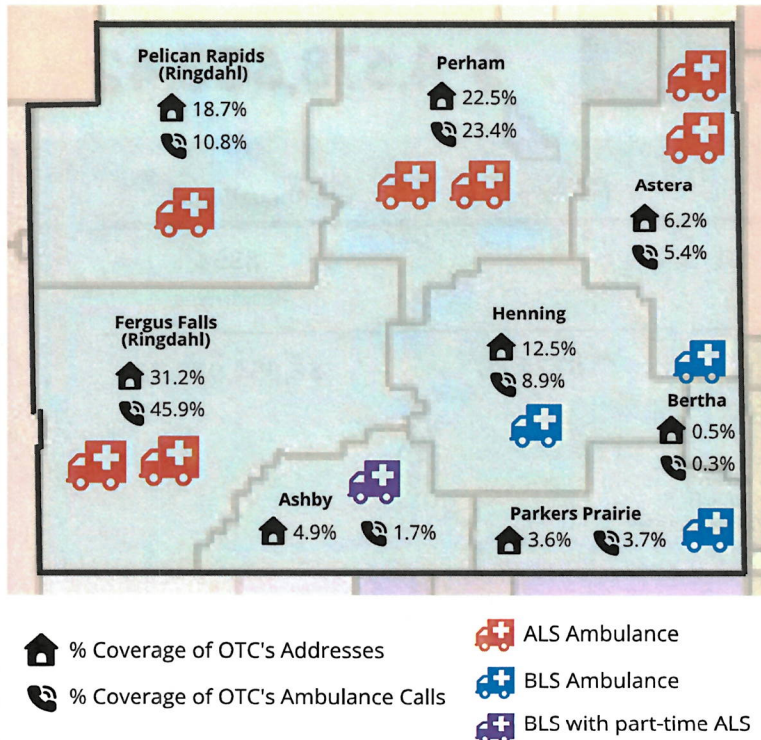


To combat turnover, OTC must train approximately

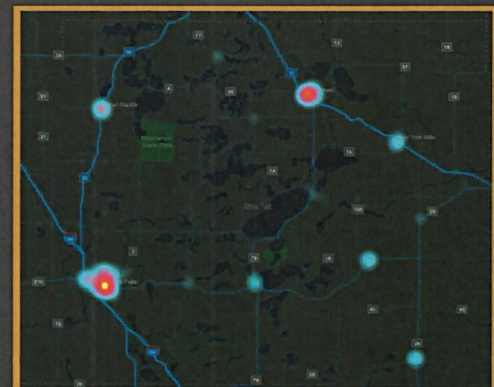
**38 students**

every year to maintain appropriate staffing levels.

## Ambulance Primary Service Areas in Otter Tail County



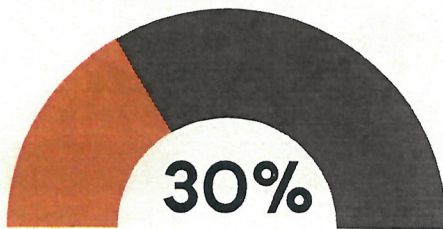
Locations of 911 Calls in Otter Tail County



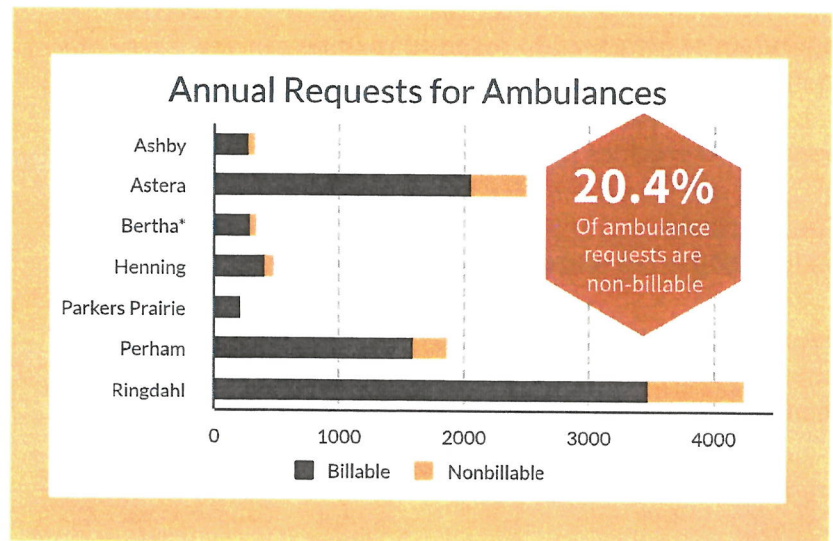


# Otter Tail County Ambulance Financial Situation

Data courtesy of Otter Tail County  
ambulances, from 2022 financials.  
For questions, contact  
Rebecca.Huebsch@PerhamHealth.org



**On average, Medicare and Medicaid only reimburse about 30% of the cost to provide local 911 responses.**



There is no system to pay for many ambulance services.



- 911 calls with transport to hospital
- Inter-hospital transports
- Medically necessary return trips

No Payment

- Lift assists
- Patient evaluated, treated, but no transport
- Fire, Law Enforcement, or SWAT standbys
- 911 calls where no patient was identified (car accident, wellness checks)
- Non-patient transfers (organs, etc.)
- Patient refuses evaluation or transport
- Patient treated and transported by private vehicle
- 24:7 readiness costs

Amount Underpaid by Medicare/Medicaid\*

**\$ 3,213,215.65**

\*Does not include Astera or Bertha

Costs incurred by Non-billable Calls

**\$ 1,465,387.77**

Total Amount of Uncompensated Care  
Provided by OTC Ambulance Services.

**\$ 4,678,603.42**

	Per Response	Annual Total
<b>Requests for Ambulances</b>		<b>8354</b>
The number of calls completed in 2022		Responses
<b>Average Cost</b>	<b>\$724.80</b>	<b>\$6,054,989.22</b>
Cost includes personnel, ambulances maintenance, equipment, and readiness.		
<ul style="list-style-type: none"> <li>• Uses costs from 2022, many of which have increased.</li> <li>• Does not distinguish between 911/transfers or ALS/BLS.</li> <li>• Does not include replacement of equipment and vehicles, much of which has been deferred due to financial challenges.</li> </ul>		
<b>Average Reimbursement</b>	<b>\$542.83</b>	<b>\$4,534,817.98</b>
Amount paid to ambulances in 2022	<b>74.8%</b>	
<b>Operating Losses</b>	<b>( \$181.97)</b>	<b>( \$1,520,171.23 )</b>
Difference between Average cost and Reimbursement for 2022		

# Crisis grips emergency medical service providers in rural Minnesota

By [Mark Wasson](mailto:mwasson@postbulletin.com) | [mwasson@postbulletin.com](mailto:mwasson@postbulletin.com) | Forum News Service  
December 30, 2023 at 6:47 a.m.

Rural emergency medical service workers are sounding the alarm about a system in a financial and worker crisis that can lead — and in some cases has already led — to increased response times for Minnesotans in a medical emergency.

“This has not been a trend that has really surprised people that have been paying attention,” said Becca Huebsch, director of Emergency Medical Services and Emergency Preparedness for Perham Health in western Minnesota. “But now it’s really coming to a breaking point where systems have been underpaid for so long, now they’ve used up their cash stores and they put off big purchases.”

For the seven ambulance services that cover Otter Tail County, where Perham is located, ambulance providers are losing \$181 per call, according to Huebsch.

“Every time the pager goes off and we respond to an emergency, we’re digging ourselves deeper into the hole,” Huebsch said. “We don’t want to stop responding but we do need to address this because there’s only so long that we can sustain that.”

In response to this call, legislators have set up an Emergency Medical Service Task Force to address the state of EMS services in Minnesota. Legislators plan to travel around the state to hear from the public about what is needed to keep the system afloat.

In addition to the cash-flow issues, the state is currently facing a shortage of almost 3,000 EMS workers, which is impacting greater Minnesota at higher rates due to lack of pay, leadership and culture issues, job burnout and time commitments in outstate Minnesota, Dylan Ferguson, executive director for the Emergency Medical Services Regulatory Board, told the task force during its first meeting in early December.

In addition to the shortage of EMS workers, there is a particular shortage of emergency medical technicians because they are often assigned to do hospital work as opposed to running an ambulance, Ferguson said.

EMS is largely financed through billing to patient insurance or the patients themselves. This type of funding model no longer works, Huebsch said, and even when it did, it has been just enough to cover costs.

“The challenge is, as our costs have increased, reimbursement has not changed or not kept up,” she said.

Even if an EMS increases its charges, it doesn’t matter, according to Huebsch, because the insurance rates are set by the insurance providers. For example, Medicare and Medicaid only pay about 35% of the cost when it comes to ambulance transportation.



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In Perham, a town about 25 minutes from Detroit Lakes with a population of just slightly over 3,500, a projected \$200,000 loss for 2023 is expected, according to Huebsch.

## Response times

Beyond further stretching medical personnel in an already strained system that largely relies on volunteers outside metro areas, the cash and worker shortage has led to response times that lie entirely outside the bounds required for effective medical care.

In Mountain Iron, a town of fewer than 3,000 people in St. Louis County, EMS response times have extended to up to 90 minutes.

Thankfully, these lengthy response times haven't hit Perham EMS, but if something doesn't change soon, the possibility is there.

"It's not a problem. It's not a challenge. It's a crisis," Sen. Grant Hauschild, DFL-Hermantown, told the task force during its meeting.

Hauschild, who represents Minnesota Senate District 3, which covers most of northern and northeast Minnesota, including Mountain Iron, said towns are going bankrupt trying to provide these services.

"Your health care, your livelihood shouldn't be determined by your ZIP code," he said.

Ely, an Iron Range town with a population of around 3,200, has about two months of money available before they have to shut down, Hauschild said.

"It is multiple communities, it's everybody, and we are acutely hit by it on the Range and northern Minnesota because of the rural isolation we have and the distances it takes to transport," he said. "The reimbursement rates are so out of whack at the federal level and are just not keeping up with the services that we need to provide."

The task force was formed following an Office of Legislative Auditor report that highlighted issues with a system that has not changed since the 1980s despite changes in demographics and health care in general.

"The increasing cost of medical supplies, labor and equipment has greatly outpaced reimbursement from state, federal and commercial payers," Huebsch wrote the task force in a submitted statement. "This comes at a time when we are seeing an aging and medically needy population and increasing requests for ambulance services."

The task force is slated to visit areas outside the metro area to receive testimony from the public and stakeholders about the state of EMS in Minnesota's more rural regions.



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A report that includes recommendations is expected to be submitted by the task force by Aug. 15.

“We’re an action-oriented unit of government,” task force member Sen. Andrew Lang, R-Olivia, told the group during their initial meeting. “Hopefully, in not too long of time, this task force will have a plan in place that will keep those small ambulances in rural Minnesota functioning.”

Several task force members are employed in the health care field, including co-chairs Rep. John Huot, DFL-Rosemount, and Sen. Judy Seeberger, DFL-Afton. Both serve as emergency medical technicians.

“This is overdue,” Sen. Tina Liebling, DFL-Rochester, said, adding that while Rochester may not face these issues because Mayo Clinic runs emergency services in the city, everyone deserves medical care. “When you make that call, the need is great and you need somebody to respond.”

## **Lack of staffing**

Rural EMS services largely rely on volunteers, and those are getting harder to come by.

Altura, in southeastern Minnesota, may have an ambulance service that dates back to the 1960s, but they’re in danger of losing their basic lifesaver license because they have been unable to staff on-call shifts for more than 12 consecutive hours on several occasions in recent months.

Jason Passow, a volunteer EMT in Altura, said he joined because he wanted to help his neighbors, and if the service goes away, that’s akin to telling people in the community they need to wait for lifesaving medical response care.

Because the service area only generates about 80 to 90 calls a year, Passow said it would not be financially feasible to hire a full-time EMT to cover shifts.

A solution put forward during an October public meeting at Altura City Hall suggested recruiting more emergency medical responders, though those are in short supply as well.

During a similar October meeting in Baxter, near Brainerd, stakeholders pointed to outdated thinking from policymakers.

“Our current reality is that we lack people, not jobs, yet our current policies, still, I think, favor 1970s thinking,” Kelly Asche, senior researcher at the Center for Rural Policy and Development said during the meeting. “Policies are still developed around the idea that we should build more jobs, not (find) more people. ... We still have politicians or policymakers, doing their campaigning on, ‘I’m gonna bring good jobs to the region.’ That’s really the last thing we need. And it’s that old style of thinking that’s going to keep us stuck.”