Emergency Medical Services Funding Task Force Interim Committee 2026 Final Report

Study Assignment

The Legislature established the Emergency Medical Services Funding Task Force in SB 89 (2026) to address concerns regarding the availability and sustainability of emergency medical services, especially in rural parts of this state.

Senate Bill 89 directed the task force to:

1) Examine mechanisms to fund counties and municipalities for the provision of emergency medical services as an essential service;
2) Examine policies for ambulance service payments, including reimbursement standards for out-of-network emergency medical services;
3) Seek input from relevant stakeholders on the provision of emergency medical services as an essential service;
4) Provide to the executive board, no later than November 1, 2026, a report containing findings and recommendations for legislative proposals related to the funding of emergency medical services in this state; and
5) Review planned expenditures of the Rural Health Transformation program and evaluate opportunities to incorporate the funds into emergency medical services funding strategies.

Summary of Meetings

The task force's first meeting was held on June 17, 2026. The task force received presentations from the Department of Health, the South Dakota Ambulance Association, the South Dakota Association of County Commissioners, the South Dakota Emergency Medical Services Association, and the South Dakota Municipal League.

The task force was told that ambulance services are struggling to sustain operations due to increased costs, limited financial support, and a shortage of available emergency medical services (EMS) personnel. These challenges have prompted questions about the long-term sustainability of EMS in South Dakota – especially in rural parts of the state – without system-wide changes.

There is no requirement in statute for a county or municipality to provide an ambulance service, nor is there a coordinated system of EMS in the state. One proposal that has been discussed is to designate EMS as an essential service by requiring that counties and municipalities provide EMS within their jurisdictions. However, previous legislative efforts to do so, such as HB 1043 (2025), have failed. While ambulance services suggest the need for financial support from the governmental sector, counties and municipalities are wary of any proposal to mandate EMS without sufficient financial backing from the state. Much of the task force's focus centered on how to support ambulance services without overwhelming counties and municipalities.

There are 121 licensed ground ambulance services in this state. They consist of volunteer and paid services. There are 3,439 licensed EMS providers, 1,958 of whom are affiliated with an ambulance service. There were 122,296 calls for services in 2025, which is a 4.76 percent increase in call volume since 2024, and a 32 percent increase since 2020. The Department of Health noted that ambulance services are experiencing an increase in low-acuity calls.

SDCL § 34-11-1 permits a county or municipality to provide or contract for the provision of ambulance services or to contract with another political subdivision or other person for the provision of moneys to support ambulance services. Ambulance services are licensed by the Department of Health under SDCL chapter 34-11. EMS personnel

DRAFT

are licensed by the Board of Medical & Osteopathic Examiners under SDCL chapter 36-4B. The department proposed the creation of a regional EMS system, which would allow for coordinated planning and response systems, and shared resources, training, workforce strategies, and data between ambulance services.

The Department of Health provided an update on the Rural Health Transformation Program, a federal grant program that provides states with funding to improve rural health outcomes. The Legislature, through the passage of HB 1044 (2026), appropriated $402,000,000 in federal fund expenditure authority to the department for implementing the program. The department plans to distribute $64,000,0000 in program funds for the enhancement of sustainable EMS. The funds will be distributed over five years, with $8,000,000 available in the first year for regional hub development and an oversight consultant, an EMS workforce, infrastructure, and system modernization initiative, and a third as yet undetermined purpose. Task force members expressed concern over the lack of legislative oversight and an overreliance on one-time grants.

Representatives from the South Dakota Association of County Commissioners and the South Dakota Municipal League expressed their commitment to EMS, but emphasized the reality of tight budgets and increasing costs.

The task force also heard from EMS providers. They addressed the financial burden of providing EMS, the inadequacy of local funds to sustain services, and the difficulties in securing reimbursement from Medicaid, Medicare, and private insurers and payers. These challenges have prompted ambulance services to reconsider service delivery models and even limit coverage areas. Additional concerns include the increasing average age of EMS personnel and the decrease in volunteerism. The task force discussed potential funding mechanisms and acknowledged the difficulty of raising sufficient revenue and the challenge of determining the amount of money necessary to adequately support counties and municipalities.

The task force's second meeting was held on August 24, 2026. The task force received presentations from Healthcare Strategists, the Department of Health, and the Spink County Ambulance Service.

Healthcare Strategists presented the South Dakota Ambulance Provider Assessment, which was completed on behalf of the Department of Health. The assessment addressed ambulance service activity, provider viability, and billing practices. The primary areas of concern included workforce support, reimbursement and financial oversight, medical-priority dispatch, regional shared services, and long-term funding strategies. The assessment was completed by 57 out of 121 ground ambulance services. Task force members expressed concern about the low response rate.

The Department of Health proposed a regionalized EMS system that would be locally led, regionally connected, and supported statewide. The department has contracted with the South Dakota Foundation for Medical Care to assist with the development of regional hubs, using Rural Health Transformation Program funds. The task force explored the concept as a way to provide adequate funding for ambulance services and requested a bill that would require Medicaid and private insurers to reimburse ambulance services for treatment in place -- i.e., treatment provided to a patient at the scene of a medical emergency.

The Spink County Ambulance Service provided a presentation regarding Wildcat Rescue, which is an eleven-member volunteer first-response unit that operates under the license of the Spink County Ambulance medical director. The unit, known as Wildcat Rescue, responds to medical emergencies and provides primary care until an ambulance arrives to transport the patient, if necessary.

The task force's third meeting was held on September 21, 2026. The task force received presentations from the South Dakota Association of Healthcare Organizations and the Indian Health Service. The task force discussed the

concept of regionalization and funding mechanisms to support providers, including a lodging tax and a tax on vapor products. The task force considered Draft 83 and discussed the current Medicaid reimbursement practices for providing treatment in place. Matthew Ballard, Deputy Director, South Dakota Medicaid, indicated that Medicaid currently reimburses ambulance services for treatment in place at the basic life support rate.

The South Dakota Association of Healthcare Association provided information on hospital operating margins and the difficulties that would be encountered by having hospitals subsidize ambulance services. A representative of the Indian Health Service provided information on the process of reimbursing South Dakota Medicaid for services provided to tribal members off a reservation.

The task force designated two subgroups to work on Bill Draft 83 and a newly requested bill draft to establish the regionalization of EMS.

The task force's fourth and final meeting was held on October 26, 2026. The task force reviewed the bill drafts and discussed the issues that had been before the task force during the interim. The task force members encouraged the Department of Health to begin the work of establishing regions as soon as possible.

Task Force Action

The task force recommended Draft 83 for introduction. The bill would require both private insurers and the state Medicaid program to provide reimbursement for medically necessary care provided at the scene of a medical emergency and for mileage incurred by an ambulance service travelling to and from the scene of a medical emergency.

The task force recommended Draft 84 for introduction. The bill would create the Emergency Medical Services Advisory Council and direct the Department of Health to create at least eight, but no more than fourteen, emergency medical services regions.

The task force supported a motion to ask the Department of Social Services to examine the ambulance reimbursement rate difference between rural and super rural designations in Medicaid and Medicare.

Task Force Members

Senator Tim Reed, Chair, and Representative Eric Emery, Vice Chair. Representatives Nick Fosness, John Hughes, Jana Hunt, Drew Peterson, and Keri Weems. Senators Kevin Jensen, Liz Larson, Ernie Otten, and Sue Peterson.

Staff Members

Matthew Server, Research Analyst; Mitch Honan, Senior Fiscal Analyst; and Michelle Deyo-Amende, Administrative Specialist.

DRAFT