

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA DEPARTMENT OF HEALTH

In the Matter of the Licensure
Application of Lake City Ambulance
Service, Lake City, Minnesota.

FINDINGS OF FACT,
CONCLUSIONS AND
RECOMMENDATION

The above-entitled matter came on for hearing before Administrative Law Judge Peter C. Erickson at 1:30 p.m. on Thursday, December 12, 1991, in the Lake City City Hall, Lake City, Minnesota. The record on the matter closed on December 16, 1991, after submission of an affidavit of publication by the Department of Health.

Phillip Gartner, City Attorney, 120 West Center, Lake City, Minnesota 55041, appeared on behalf of the Applicant, Lake City Ambulance Service. There were no intervenors in this matter and no one expressed any written or oral objection to the application.

Notice is hereby given that, pursuant to Minn. Stat. 14.61 the final decision of the Commissioner of Health shall not be made until this Report has been made available to the parties to the proceeding for at least ten days, and an opportunity has been afforded to each party adversely affected to file exceptions and present argument to the Commissioner of Health. Exceptions to this Report, if any, shall be filed with the Commissioner, Minnesota Department of Health, 717 Delaware Street SE, Minneapolis, Minnesota 55414..

STATEMENT OF ISSUE

The issue in this proceeding is whether the Applicant's application for licensure as a scheduled ALS (Advanced Life Support) service should be granted pursuant to the standards set forth in Minn. Stat. 144.082, subd. 3 (g).

Based upon the record herein, the Administrative Law Judge makes the following:

FINDINGS OF FACT

BACKGROUND AND PROCEDURAL HISTORY

1. The Applicant is a non-profit ambulance service that is owned by the City of Lake City. It has operated as a Basic Life Support (BLS) ambulance service in portions of Wabasha and Goodhue Counties. Its base of operations is located in Lake City, Minnesota.

2. On or about July 30, 1991, the Applicant submitted an application for licensure as an ALS-scheduled ambulance service with the Minnesota Department of Health. The Applicant is requesting that It be granted licensure to provide ALS ambulance service for inter-facility transfers from the Lake City Hospital to Rochester, the metropolitan area, or other regional medical facilities on a prearranged, scheduled basis.

3. On October 28, 1991, Marlene E. Marschall, Commissioner of Health, issued a Notice of Completed Application and Notice of and Order for Hearing setting the hearing on this matter for December 12, 1991, at the Lake City City Hall. Notice of the hearing was published in the Republican Engle (Goodhue County) and Wabasha County Herald (Wabasha County) as well as in the November 4, 1991, issue of the State Register. Notice of the hearing was also served upon the Board of County Commissioners for Goodhue and Wabasha Counties; the Community Health Board for those counties; the Regional Coordinator for the EMS system; the Mayor of the City of Lake City; and all bordering ambulance services.

DESCRIPTION OF THE SERVICE

4. As set forth above, the Applicant seeks to obtain licensure to provide ALS-scheduled ambulance service from the Lake City Hospital to other facilities on an as-requested basis. The patient transfers will come only from the Lake City Hospital but the transfer could run to any accepting facility.

5. The Applicant estimates that, if its application is granted, it will make approximately 65 scheduled-ALS runs in the next year. It estimates that the average patient charge for a scheduled-ALS run will be approximately \$350. The Applicant projects total revenue and cash contributions in the next year of \$116,825 and its total annual expenses to be \$109,825.

RELATIONSHIP TO COMMUNITY HEALTH PLAN

6. The Applicant presently operates in the southeast Minnesota EMS region. Although upgrading ambulance services from BLS to ALS are not directly addressed in the regional plan, the Regional Administrator expressed the opinion that having a local provider of scheduled ALS ambulance services would greatly benefit the population in the Primary Service Area (PSA). The waiting time for transfers between the Lake City Hospital and other facilities will be reduced and continuation of care for patients will be possible. Additionally, there will no longer be the need to have a physician or registered nurse ride in the ambulance when ALS care is being provided, thus lessening the cost and delays for available staffing.

7. There is nothing in the record to show whether or not Goodhue and/or Wabasha Counties have community health services plans and the relationship of

the application to those plans.

COMMENTS OF GOVERNING BODIES AND PUBLIC OFFICIALS

8. The Applicant received several letters in support of its application for licensure as a scheduled-ALS ambulance service. The letters of support included letters from: Richard Abraham, Lake City City Administrator; Edgar

Berg, Chairman of the Lake City Ambulance Commission; and Dennis Pederson, President of the Lake City Ambulance Association. In addition, the "resident of Gold Cross Ambulance in Rochester, Minnesota, submitted a letter in support of the proposed licensure.

9. No public official or municipality or county opposed the granting of the application.

DELITERIOUS EFFECTS FROM DUPLICATION OF AMBULANCE SERVICES

10. The Applicant is the only provider of ambulance services in the City of Lake City and surrounding area. There is only minimal duplication of ambulance services on the fringe of the Applicant's current BLS PSA. Consequently, there will not be any duplication of ambulance services should the application herein be granted. No objections were made to the application by any ambulance service. As set forth above, Gold Cross Ambulance in Rochester, Minnesota, specifically supported the application.

ESTIMATED EFFECT ON THE PUBLIC HEALTH

11. Because there is a great influx of retired individuals into the Lake City area during the summer months to use the Mississippi River recreational area, a disproportionately large number of patients with cardiac and respiratory problems are treated at the Lake City Hospital. Often times, these patients require transfers to other treating facilities such as the Mayo Clinic in Rochester or hospitals in the Twin Cities. If approved, the scheduled-ALS license will enable the Applicant to provide a more timely and cost-effective service to patients at the hospital. In addition, when physicians initiate ALS procedures at the hospital during the first stages of patient care, the continuation of the services has been limited when a transfer to another facility is required due to Applicant's current BLS licensure. Upgrading the licensure to provide for scheduled ALS services will benefit the public because patient care initiated at the hospital will be allowed to continue throughout an ambulance transfer to another facility. These considerations are especially important because the transport time to the closest regional trauma center from Lake City is approximately 40 minutes, a time which may require the continuation of ALS procedures for a patient. The Judge specifically finds that granting the licensure requested herein will have a very positive effect on the public health for the population in the Lake City area.

BENEFIT TO PUBLIC HEALTH VERSUS COST OF THE PROPOSED SERVICE

12. At this time, the Applicant does not anticipate any additional costs to provide scheduled ALS service. It currently has all of the necessary ALS equipment in the ambulance as requested by the Medical Director in the event that a physician had to ride along on a particular transfer. The only costs which may be foreseeable would be the administration of specific medications to a patient which would be billed to the patient at a level just slightly above cost" (response to question 5 in the application). Any additional staff which may be required for transfers would be registered nurses from the Lake City Hospital. Those costs would be absorbed by the hospital and would not be reflected in the patient's ambulance bill. The costs of the new licensure will be very minimal and, as set forth above, the benefits will have a positive impact on the public health and medical community.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS

1. The Administrative Law Judge and the Commissioner of Health have jurisdiction in this matter pursuant to Minn. Stat. 14.50 and 144:082. The Notice of Hearing was proper in all respects and all procedural and substantive requirements of law and rule have been fulfilled.

2. Minn. Stat. 144.802, subd. 3 (g), provides:

The administrative law judge shall review and comment upon the application and shall make written recommendations as to its disposition to the commissioner within 90 days of receiving notice of the application. In making the recommendations, the administrative law judge shall consider and make written comments as to whether the proposed service, change in base of operations, or expansion in primary service area is needed, based on consideration of the following factors:

(1) the relationship of the proposed service..... to the current community health plan as approved by the commissioner under section 145.918;

(2) the recommendations or comments of the governing bodies of the counties and municipalities in which the service would be provided;

(3) the deleterious effects on the public health from duplication, if any, of ambulance services that would result from granting the license;

(4) the estimated effect of the proposed service..... on the public health;

(5) whether any benefit occurring to the public health would outweigh the costs associated with the proposed service . . .

The administrative law judge shall recommend that the commissioner either grant or deny a license or recommend that a modified license be granted

3. The Judge concludes that the Applicant has fully demonstrated that the licensure requested is needed and will benefit the public health in the area to be served. No one has objected to the application herein or filed any comments reflecting negatively on any of the factors set forth in Minn. Stat.

144-802, subd. 3 (g). The record in this matter shows clearly that all of those statutory factors weigh in favor of granting the application.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

RECOMMENDATION

IT IS HEREBY RESPECTFULLY RECOMMENDED that the Commissioner of Health grant the application of the Lake City Ambulance Service to provide scheduled Advance Life Support ambulance services from the Lake City Hospital as requested herein.

Dated this 30 day of December, 1991.

PETER C. ERICKSON
Administrative Law Judge

NOTICE

Pursuant to Minn. Stat. 14.62, subd. 1, the agency is required to serve its final decision upon each party and the Administrative Law Judge by first class mail.

Reported: Taped, no transcript prepared.