Contents

Summary and Recommendations: Improving Tennessee's Ambulance Services through Increased Funding, Collaboration, and Training

When a medical emergency occurs, the difference between life and death can often be measured in minutes. For example, survival chances decrease by 10% for every minute that immediate cardiopulmonary resuscitation (CPR) and use of an automated external defibrillator (AED) are delayed, according to the American Red Cross. Ambulance crews are on the front lines providing such care in Tennessee and respond to an increasing number of calls each year, growing from 564,600 emergency calls in calendar year 2021 to 778,299 in 2024. Non-emergency transports increased from 435,188 in calendar year 2021 to 472,890 in 2024. Recognizing its importance, all 95 counties provided ambulance services before any state action occurred. Public Chapter 212, Acts of 2021, designated ambulance service as an essential service in Tennessee, requiring counties to ensure the service is provided within their borders, either by providing it directly themselves or by contracting for service with other counties, cities, or private entities. Currently, 63 counties provide ambulance services directly—either through their county hospital (3 counties) or a non-hospital ambulance service (60 counties)—and the remaining 32 counties provide the services through contracts or agreements with third party providers.

The General Assembly made ambulances an essential service in Tennessee, requiring counties to ensure it's available within their borders; the cost of providing it continues to grow.

Although not required, 11 cities also operate an ambulance service. Additionally, other cities voluntarily assist their county's ambulance service either directly via funding agreements or in-kind contributions, for example by having their fire department respond to emergency medical calls or by collaborating to build a county ambulance bay on city-owned property. Sixty-nine respondents to a TACIR survey of city officials said their city's firefighters respond to the same incidents as county ambulance services.

The cost of providing ambulances services continues to grow. Data from the Tennessee Comptroller of the Treasury shows that average expenditures for county ambulance services—with the middle 95% of counties represented to remove outliers—totaled $1.7 million in fiscal year 2021-22 and had increased to $2.0 million in fiscal year 2023-24—a 21% increase in three years. County annual financial reports for the same time period show that average ambulance expenditures increased 23%, and data from 16 counties responding to a TACIR survey of county officials showed that average ambulance expenditures increased 32%. Although counties can offset some of these costs through patient charges, these reimbursements typically don't cover the entire cost of running an ambulance service, nor are they usually designed to do so.

Tennessee ambulance services receive two state directed payments when they transport TennCare patients.

Maury County recently sought additional funding from the city of Columbia to alleviate the cost to the county of required ambulances services, both in Columbia and across the county. Pushback from Columbia led to the introduction of Senate Bill 160 by Senator Hensley and House Bill 83 by Representative Capley in the 114th General Assembly. As introduced, the bill would have required a municipality that does not provide ambulance service to reimburse the county for the service in proportion to the percentage of the county's population housed within the city, up to 50% of the service's total cost. The bill was amended and passed as Public Chapter 413, Acts of 2025, which directed the Tennessee Advisory Commission on Intergovernmental Relations to study (1) the economic impact of required ambulance services on counties, (2) how Tennessee's counties and municipalities provide these services, and (3) whether policy changes may improve the provision of these services. Additionally, the Act requires the commission to (4) review emergency and non-emergency transport reimbursements and (5) determine how counties and municipalities fund the deficit at which ambulance services operate. Stakeholders say that city residents already help fund county ambulance services through their county taxes, and the bill could have the unintended consequence of cities starting their own ambulance services to avoid the payments, resulting in counties paying more to provide service in outlying unincorporated areas. For these reasons and because of the voluntary cooperative arrangements many cities and counties have already adopted, **the commission does not recommend Senate Bill 160 and House Bill 83 as originally filed but instead encourages counties and cities to continue exploring mutually beneficial avenues to share costs and improve ambulance services.** The commission has identified alternatives to the original bill that could help address the rising cost of ambulance services, and it has identified opportunities to take advantage of collaboration between counties and cities and between ambulance services, as well as opportunities to improve access to training for emergency service personnel.

Recent federal law and potential federal rule changes could lower the total payment for ambulance transport of TennCare patients.

Ambulance services in Tennessee benefit from the state's requirement that TennCare—Tennessee's Medicaid program—reimburse two state-directed payments to ambulance services for providing emergency transport to a TennCare-enrolled patient. First, the state requires TennCare's three managed care organizations (MCOs) to reimburse ambulance services at rates that are at least 67.5% of the Medicare rate, including both the base rate and the mileage payment—though according to TennCare the current average reimbursement rate for the MCOs is closer to 75% of Medicare. For context, Medicare's base rate and mileage payments combine to pay about half the cost of transporting patients. Second, TennCare's

MCOs also distribute a quarterly supplemental payment funded by a tax on ambulance service providers and matching federal dollars called the Ground Ambulance Assessment Program (GAAP). The sum of the TennCare base rate payment and the GAAP payment often exceeds what Medicare would pay for the same trip, sometimes equaling 120% or more of what Medicare would pay. Still, ambulance service providers say the base TennCare payments are too low compared to the cost of providing the service.

An increase could bring TennCare payments closer to costs, but one recent federal law and a rule proposed by the Centers for Medicare and Medicaid Services limit these state-directed payments for emergency transport to 110% of the Medicare rate. As a result, Tennessee may have to reduce the sum of the state-directed payments to ambulance services. TennCare said, to do so, the GAAP payment would be reduced so the base reimbursement and GAAP together equal no more than 110% of the current Medicare fee schedule. This could result in a decrease in available funds for all ambulance services, including counties' primary ambulance service providers, and could especially affect county services with a higher percentage of TennCare-enrolled patients. Some previously proposed increases, like raising the TennCare non-emergency transport reimbursement rate to 100% of the Medicare payment—non-emergency transports are not eligible for GAAP payments—or increasing the TennCare base reimbursement rate for all transports to 110% of the Medicare payment while removing the GAAP payment are likely still viable because the sum of the state-directed payments would not exceed 110% of the Medicare rate.

Ambulance service providers say the base TennCare payments are too low compared to the cost of providing the service.

The General Assembly should make funding for its existing ambulance equipment grant recurring.

Ambulance equipment—for example, stretchers or heart monitors—is the third largest cost category for ambulance services nationally, following labor and vehicle costs. Nationally, equipment costs are approximately 4% of ambulance services' costs, and at that percentage, the total equipment cost to counties for primary ambulance service providers in Tennessee would be approximately $20 million per year. The General Assembly appropriated $5 million for ambulance equipment grants in 2025, but the grants were not recurring. The state did not provide a grant during the previous year but did provide a grant two years ago. Recurring grants are available for other essential services like emergency management, law enforcement, roads and bridges, solid waste, and storm water but not ambulance services. For these reasons, **the commission recommends the General Assembly make funding for the equipment grant recurring.**

Stakeholders say more training centers could improve staffing of ambulance services.

Healthcare providers say training is a bottleneck that prevents ambulance services and fire departments from hiring enough emergency medical technicians (EMTs) to replace EMTs that are leaving the profession, and studies have demonstrated that one in three potential employees leave the workforce because of attrition during education or failure to achieve national certification. Turnover for EMTs and paramedics is greater than for similar healthcare professions, and employment length can sometimes be measured in months rather than years, according to staff of the Tennessee Board of Regents (TBR).

Representatives for ambulance services say that more training centers would help address high turnover.

TBR offers training opportunities at the state's colleges and in high school dual enrollment programs, but representatives for ambulance services say that enrollees in those programs often go into other medical professions, like nursing or firefighting, rather than ambulance services. To establish an additional workforce pipeline, some ambulance services created their own centers to train EMTs and advanced emergency medical technicians. Currently, there are 30 training centers, which is the maximum allowed under state law.

Representatives for ambulance services say that more training centers would help address staffing issues, and they say the cap should be removed or increased. According to one stakeholder, the last time the cap was increased discussions focused in part on whether increasing the number of training centers would have a negative effect on the quality of training. The Tennessee Department of Health's Office of Emergency Medical Services licenses and regulates the centers. Trainees must pass national exams to be licensed as emergency medical technicians, and judging by first attempt pass rates, quality of the training centers was not harmed when the cap was increased from 15 to 30 in 2022. Pass rates were approximately the same for training centers started before and after the increase—62% and 63%, respectively.

Other alternatives to the original bill could help address the rising cost of ambulance services.

In addition to increased county and city cooperation, the commission identified other opportunities for some local governments and ambulance services to increase revenue or reduce costs. For example, contracting with a third-party billing company can improve collection rates for ambulance service charges. Some ambulance services also provide non-emergency transport. Patient charges can be high enough to cover the full cost of non-emergency transport and can increase reimbursements received for ambulance service, though some ambulance services report they don't have the equipment or personnel needed to provide non-emergency

transport in addition to emergency transport. Other ambulance services may find they can reduce some costs by sharing staff with other services. In particular, every ambulance service must employ a medical director to set standards for the care they provide. Although pay for a medical director can be upwards of $30,000 to $40,000 per year, it may be possible for several ambulance services to share a single medical director, with Vanderbilt LifeFlight saying it allows other services to share its medical director for approximately $10,000 per year. Counties can also reduce cost by using a new grant program available through the Rural Health Transformation Program that will use federal dollars to reimburse rural counties for the purchase of an ambulance.

Services also have an opportunity to be reimbursed for transporting a patient to approved locations other than emergency rooms or treating the patient at the scene, which traditionally are not reimbursable through insurance. Health insurance—regardless of whether it is Medicare, TennCare, or a private insurer—typically reimburses ambulance services only for transporting a patient to an emergency room. According to Tennessee Department of Health data, from 2021 to 2024, Tennessee ambulance services transported a patient to the hospital on approximately 40% of emergency call responses. The remaining outcomes, like treating an individual at the scene (approximately 13% of emergency call responses) or transporting them to an alternate destination (approximately 1% of emergency call responses), like a mental health facility, would be ineligible for reimbursement under the traditional model. This dynamic creates an incentive for ambulance services to transport patients to the emergency room, even if the patient may not need to go to the hospital. Though this generates money in the short term, unnecessary transports can contribute to longer "wall times"—when ambulances must wait at the hospital for their patient to be admitted to the emergency room—which prevents the ambulance from responding to other emergency calls. To address this issue, the state created a TennCare program—the Triage, Navigate, Treat and Transport program (TN-T2)—to reimburse ambulance services for treatment in place or transport to an alternate destination of TennCare-enrolled patients. This program was modeled after a federal version of the same program and made permanent by Public Chapter 919, Acts of 2022. In 2025, approximately 51% of licensed Tennessee ambulance services made at least one claim for reimbursement under the TN-T2 program.

Ambulance services can be reimbursed for treatment in place or transport to an alternate destination of TennCare-enrolled patients through Tennessee's Triage, Navigate, Treat and Transport program.

While the specific examples mentioned here—contracting with third-party billing companies, expanding non-emergency transport, sharing medical directors, and using the TN-T2 program—may not be appropriate for all ambulance services, **the commission encourages ambulance services to explore opportunities for increasing revenue and reducing costs of their operations.**

Analysis: Ambulance Services in Tennessee

Emergency medical services are a complex, life-saving system, and ambulances make up an important part of that system. Survival chances decrease by 10% for every minute that immediate cardiopulmonary resuscitation (CPR) and use of an automated external defibrillator (AED) are delayed, according to the American Red Cross.[1] Ambulance crews are on the front lines providing medical care in Tennessee and responded to an increasing number of calls each year, growing from 564,600 emergency calls in calendar year 2021 to 778,299 by 2024.[2] Non-emergency transports increased from 435,188 in calendar year 2021 to 472,890 by 2024.[3] Tennessee became one of the 19 states that designate ambulance service as an essential service when the General Assembly passed Public Chapter 212, Acts of 2021, which required counties to ensure the service is provided within their borders, either by providing it directly themselves or by contracting for service with other counties, cities, or private entities.[4] Recognizing its importance, all 95 counties provided ambulance services before any state action occurred.[5]

Ambulance crews are on the front lines providing medical care in Tennessee and responded to an increasing number of calls each year, growing from 564,600 emergency calls in calendar year 2021 to 778,299 by 2024.

Maury County recently sought additional funding from the city of Columbia to alleviate the cost to the county of required ambulances services, both in Columbia and across the county. Until a few years ago, Maury County provided a $635,000 payment to Maury Regional Health annually for ambulance service, but the hospital recently asked to increase the payment to more than $3 million.[6] The county and hospital eventually settled on a $2 million annual payment, and their current agreement includes a 5% annual increase for the length of the contract.[7] Seeking to offset the increased cost, Maury County asked the city of Columbia to contribute funds to the ambulance payment because so many of the emergency responses in Maury County occur in Columbia. Pushback from Columbia led to the introduction of Senate Bill 160 by Senator Hensley and House Bill 83 by Representative Capley in the 114th General Assembly.[8] As introduced, the bill would have required a municipality that does not provide ambulance service to reimburse the county for such service in proportion to the percentage of the county's population housed within the city, up to 50% of the service's total cost.[9] The bill was amended and

[1] American Red Cross "CPR Facts and Statistics."
[2] TennCare Annual Cost and Utilization Report (ACUR) data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.
[3] Ibid.
[4] National Conference of State Legislatures "State Policies Defining EMS as Essential."
[5] Fiscal Review Committee 2021.
[6] Interview with Sheila Butt, mayor, and Doug Lukonen, finance director, Maury County, and James Dunn, counsel, Frost Brown Todd, May 28, 2025.
[7] Maury County and Maury Regional Health Emergency Medical Services Agreement, 2024 to 2027.
[8] Interview with Sheila Butt, mayor, and Doug Lukonen, finance director, Maury County, and James Dunn, counsel, Frost Brown Todd, May 28, 2025.
[9] Original version of Senate Bill 160 and House Bill 83 in the 114th General Assembly.

passed as Public Chapter 413, Acts of 2025, which directed the Tennessee Advisory Commission on Intergovernmental Relations to study (1) the economic impact of required ambulance services on counties, (2) how Tennessee's counties and municipalities provide such services, and (3) whether policy changes may improve the provision of these services. Additionally, the Act requires the commission to (4) review emergency and non-emergency transport reimbursements and (5) determine how counties and municipalities fund the deficit at which ambulance services operate.[10]

Tennessee requires counties to provide ambulance services, and counties provide those services both directly and indirectly (via agreement).

Sixty-three counties provide ambulance services directly and the remaining 32 counties provide the services using third party providers.

Tennessee Code Annotated, Section 7-61-102(b), requires counties to provide ambulance services in one of several ways. Counties can provide the service directly; contract with a public, private, or nonprofit entity that will provide the service themselves; establish an interlocal agreement with one or more governmental entities to secure service from that government's ambulance service; or enter into an agreement with a hospital or other healthcare facility.[11] Sixty-three counties provide ambulance services directly—either through their county hospital (3 counties) or through a non-hospital ambulance service (60 counties)—and the remaining 32 counties provide the services through contracts or agreements with third party providers.[12] Ultimately, the ambulance service provider may be a government, for-profit, or non-profit organization. Some counties use another government to provide their service; consider, for example, Lewis County's agreement with Maury Regional Health, Maury County's hospital. See table 1.

[10] Public Chapter 413, Acts of 2025.
[11] Tennessee Code Annotated, Section 7-61-102(b).
[12] TACIR staff analysis of ambulance service private acts and websites, Tennessee Secretary of State Business Entity Search, and ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

Table 1. How Counties Provide Ambulance Service

	Direct			Indirect (via Agreement)	
	Government				
Hospital	(3 counties)			(8 counties)	
	Madison*			Benton	Lewis
	Maury*			Claiborne	Lincoln
	Williamson*			Chester	McNairy
				Dyer	Wayne
	Government			For Profit	Non-Profit
Non-Hospital	(60 counties)			(19 counties)	(5 counties)
	Anderson	Hamilton	Sumner	Blount	Carter
	Bedford	Hancock	Trousdale	Carroll	Grundy
	Bledsoe	Hardeman	Unicoi**	Cocke	Hamblen
	Bradley	Hardin	Union	Decatur	Hawkins
	Campbell	Haywood	Van Buren	Franklin	Weakley
	Cannon	Hickman	Warren	Henderson	
	Cheatham	Jackson	Washington**	Henry	
	Clay	Jefferson	White	Houston	
	Coffee	Johnson	Wilson	Humphreys	
	Crockett	Lake	Pickett	Loudon	
	Cumberland	Lauderdale	Putnam	Knox	
	Davidson	Lawrence	Roane	Marion	
	DeKalb	Macon	Robertson	McMinn	
	Dickson	Marshall	Rutherford	Obion	
	Fayette	Meigs	Scott	Perry	
	Fentress	Monroe	Sevier	Polk	
	Gibson	Montgomery	Shelby	Rhea	
	Giles	Moore	Smith	Sequatchie	
	Grainger	Morgan	Stewart	Tipton	
	Greene**	Overton	Sullivan		

* Indicates that a county hospital provides the county's ambulance service

** Indicates a joint county-city ambulance service

Source: TACIR staff analysis of ambulance service private acts and websites, Tennessee Secretary of State Business Entity Search, and Annual Cost and Utilization Report data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

Providing Ambulance Services Directly

Counties directly providing ambulance services are responsible for all operating costs including payroll, along with capital expenditures like ambulance vehicle purchases and equipment spending.[13] Counties use their general funds or, if they have them, special revenue funds or enterprise funds to fund the service.[14] Counties may receive reimbursements from

[13] TACIR staff analysis of Comptrollers' Local Government Audit data, county Annual Financial Reports, and TACIR staff survey of counties. See, e.g., Anderson County 2024 accounting ambulance special revenue fund expenditures.

[14] TACIR staff analysis of data from Tennessee Comptroller of the Treasury, Division of Local Government Audit, county annual financial reports, and TACIR staff survey of counties.

insurance payors like Medicare, Medicaid, and private insurance; direct pay by individuals; and other sources to offset the costs of providing an ambulance service.[15]

Staff of the Local Government Audit office (LGA) of the Tennessee Comptroller of the Treasury said that counties choose the fund they use for their ambulance service based on how they want to measure costs, revenues, transparency, and rate-setting. Counties that use general fund dollars, they said, are treating the ambulance service as a "core public service." Like other local government services, core public services are funded by tax dollars.[16] Most counties that provide their own ambulance service use this structure.[17]

Counties can fund their ambulance service from their general fund, special revenue funds—dedicated revenue streams like taxes or fees—or as an enterprise fund, where user charges are generally expected to cover operating costs.

LGA staff also said that counties using special revenue funds do so to keep the service's transactions separate from general county transactions, but the service is still not intended to run like a business. In this structure, there are dedicated ambulance revenue streams such as taxes, fees, and grants.[18] For example, Anderson County's ambulance service has a special revenue fund. In 2024, the county reported revenues from patient charges, earmarked property taxes, grants, and other sources of revenue from the ambulance service.[19] Anderson County representatives said that when revenue sources earmarked for the ambulance service's special revenue fund fell $550,000 short of the service's expenditures, the county covered the remaining expenditures using its general fund.[20]

LGA staff said that if a county uses an enterprise fund for its ambulance service, the county intends for the service to be handled like a business, and user charges are generally expected to cover the costs of operating the service.[21] Maury County is the only county identified by commission staff whose ambulance service is set up as an enterprise.[22]

Four counties—Greene, Hamblen, Unicoi, and Washington—have joint county/city ambulance services between their individual county and one

---

[15] Ibid.
[16] Email from Lee Ann West, audit manager, Local Government Audit, Tennessee Comptroller of the Treasury, March 30, 2026.
[17] TACIR staff analysis of data from Tennessee Comptroller of the Treasury, Division of Local Government Audit, county annual financial reports, and TACIR staff survey of counties.
[18] Ibid.
[19] TACIR staff analysis of Tennessee Comptroller of the Treasury's Local Government Audit data; county annual financial reports; TACIR staff survey of counties; and interview with Terry Frank, mayor, and Nathan Sweet, EMS director, Anderson County, June 16, 2025.
[20] The revenue sources included patient charges, fines, and grant money, according to Anderson County's annual financial report (Tennessee Comptroller of the Treasury, Division of Local Government Audit 2024a). Interview with Terry Frank, mayor, and Nathan Sweet, EMS director, Anderson County, June 16, 2025.
[21] Email from Lee Ann West, audit manager, Local Government Audit, Tennessee Comptroller of the Treasury, March 30, 2026; and interview with Lee Ann West, audit manager, Local Government Audit, Tennessee Comptroller of the Treasury, June 30, 2026.
[22] TACIR staff analysis of Tennessee Comptroller of the Treasury's Local Government Audit data, county annual financial reports, and TACIR staff survey of counties.

or more cities.[23] For example, Unicoi County Emergency Medical Service (EMS) was "established in 2020 as a joint venture by Unicoi County, the town of Erwin, and the town of Unicoi."[24] Unicoi County, which runs the service, said the service had an operating deficit of $250,436 in fiscal year 2023-24, an increase from $165,990 in fiscal year 2021-22 and $224,472 in fiscal year 2022-23.[25] The county contributed $147,200 to Unicoi County EMS for the year ended June 30, 2024.[26] The cities that are part of the joint ambulance venture said they contributed $31,000 (Erwin) and $37,000 (Unicoi) for ambulance service in fiscal year 2023-24. The town of Erwin also said their fire department responds to the same incidents as county ambulance services and the town of Erwin provides building space for the ambulance service to use.[27]

Providing Ambulance Services Indirectly (via Agreement)

Counties that provide services indirectly do so by agreeing with a private provider for ambulance services, and the agreement designates the provider as the primary emergency ambulance service within the county's geographic area.[28] Representatives of Knox County and Lewis County said they publish a request for proposals and choose their preferred option from the contractors who bid for the services.[29] Some counties sign a contract to formalize an already-existing ambulance services arrangement.[30] In either case, counties avoid the cost of starting and maintaining their own ambulance service.

Counties with contracted providers, when renegotiating ambulance service, may face increased rates.

But counties with contracted providers, when renegotiating ambulance service contracts, may face increased rates. For example, Maury Regional Hospital (MRH) has provided Lewis County's ambulance service since at least 2006. From 2014 to 2022, Lewis County paid MRH approximately $150,000 per year to provide ambulance services within the county. In 2022, MRH sought a payment increase from the county. Lewis County put a bid out for services and in 2023, after comparing rates, agreed to a new contract with MRH that included a $472,500 payment for ambulance services—a 215% increase—with an annual escalator (increase) for the following five years.[31] Services may also ask for an increase in payment even if they have historically provided the service at no cost. Dyer County,

[23] Interview with TJ Manis, EMS director, Greene County-Greeneville EMS, August 14, 2025; Morristown Hamblen 2026; Unicoi County Emergency Medical Services 2025; and Washington County 2023.
[24] Unicoi County Emergency Medical Services "Unicoi County Emergency Medical Services."
[25] TACIR staff survey of Tennessee counties.
[26] Tennessee Comptroller of the Treasury, Division of Local Government Audit 2024b.
[27] TACIR staff survey of Tennessee cities.
[28] See, e.g., Emergency Medical Services Agreement Between Blount County and AMR.
[29] Interview with Dwight Van de Vate, chief of staff, and Kevin Parton, senior director of public health, Knox County, and Chris Gobble, principal council, Stones River Group, June 9, 2025; and interview with Jonah Keltner, mayor, Lewis County, May 19, 2025.
[30] Phone call with Jason Luallen, director, Finance Department, McMinn County, March 31, 2026.
[31] Interview with Jonah Keltner, mayor, Lewis County, May 19, 2025.

for example, said that West Tennessee Healthcare requested payment to provide ambulance services for the first time in 2022 after providing the service at no cost previously. The parties ultimately agreed to an annual payment of more than $1 million, and Dyer County enacted a wheel tax to help cover the new cost.[32]

When using private providers, some counties include contractual performance benchmarks to ensure adequate service. For example, Knox and Blount Counties used fines to enforce standards written into their separate contracts with American Medical Response (AMR). Knox County said they assessed and collected fines for insufficient response times over the life of their previous contract with AMR.[33] The county said the insufficient response times and the associated fines led to a new, updated contract that better structured AMR's operations within the county around Knox County's desired level of service, and the county said that they are happier with the current arrangement.[34] Blount County also assessed fines based on insufficient response times that did not meet the standards they and AMR set in their contract, but the county has not always collected the total amount of fines assessed.[35]

The Centers for Medicare and Medicaid Services identifies labor as the largest portion of ambulance service costs, followed by capital expenditures and equipment.

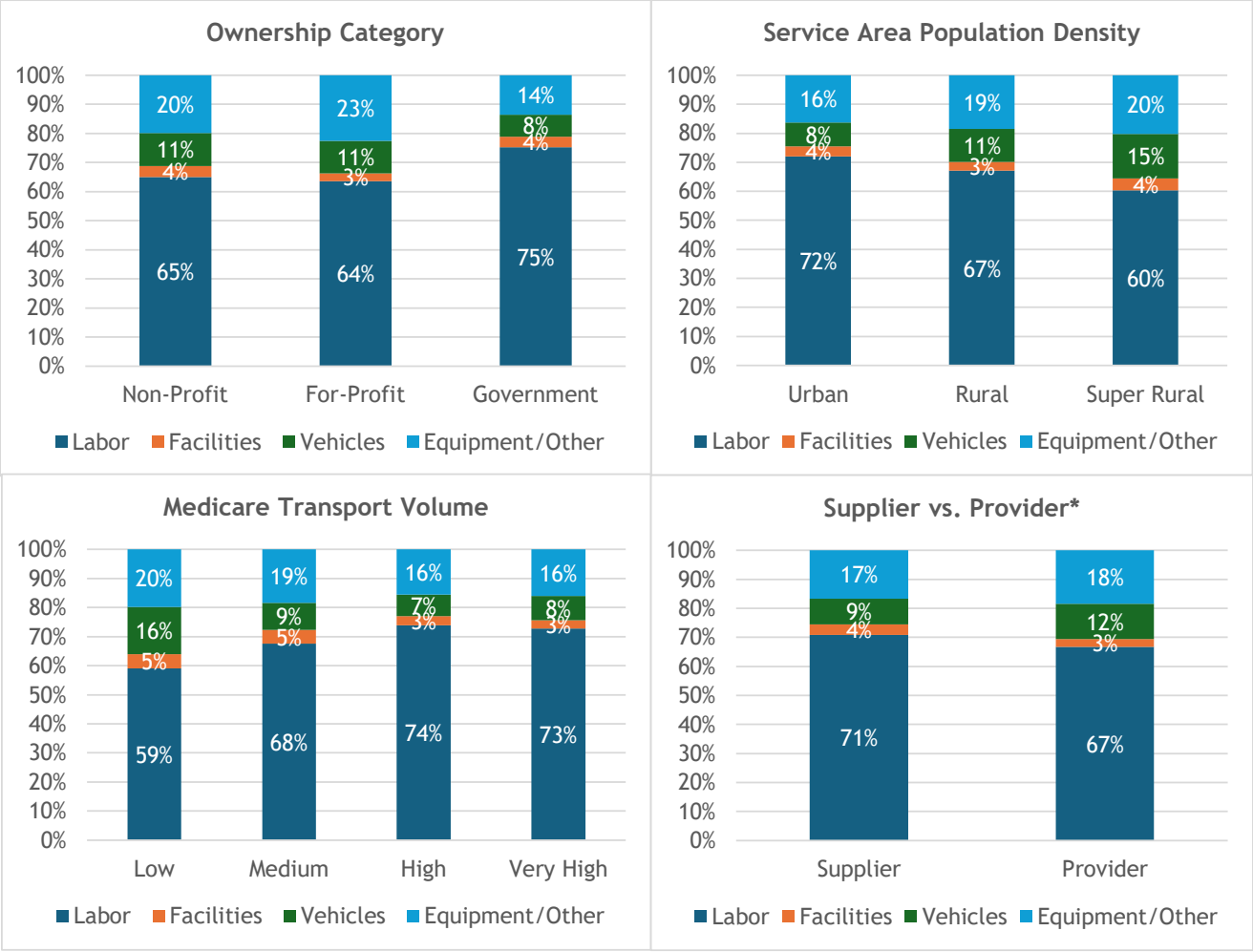
National data identified major categories of expenditures for ambulance services that may vary by type of service.

National data collected by the Centers for Medicare and Medicaid Services (CMS) identifies labor[36] as the largest portion of ambulance service costs (71% of total ground ambulance costs) followed by capital expenditures like vehicles (9% of total ground ambulance costs)[37] and equipment (4% of total ground ambulance costs).[38] Some differences exist in cost breakdowns depending on ownership category, how Medicare designates the area's population density (urban, rural, super rural), Medicare transport volume, and more. For example, labor makes up a greater share of government owned services' costs compared to other ownership groups (see Ownership Category in the figure). On the other hand, the more rural a service (by Medicare's definition), the less labor's share of costs (see Service Area

[32] Phone call with David Quick, mayor, Dyer County, March 31, 2026.
[33] Feinberg 2024.
[34] Interview with Dwight Van de Vate, chief of staff, and Kevin Parton, senior director of public health, Knox County, and Chris Gobble, principal council, Stones River Group, June 9, 2025.
[35] Jones 2021.
[36] Buttorff et al. 2025. Labor costs included compensation for EMT-Basic, EMT-Intermediate, EMT-Paramedic, Medical Directors, Administrative roles, and employees with other responsibilities.
[37] Buttorff et al. 2025. Includes vehicle purchase costs, payments on vehicles, and other costs of ownership to organizations.
[38] Buttorff et al. 2025. Equipment costs included medication, medical equipment, supplies, and consumables. Urban services spent more than rural and super rural services, and for-profit organizations spent more than non-profit and government organizations.

Population Density in the figure). Medicare has its own definition for urban, rural, and super rural services.[39] See figure.

Figure. Differences in Makeup of Ambulance Cost Categories



* Suppliers are non-institutional services, like local fire departments or private for-profit entities, while Providers are institutionally based, like a service affiliated with a hospital.

Source: Mulcahy et al. 2024.

Most Tennessee counties' ambulance service providers are government-operated non-hospital services.[40] Based on CMS data, these services tend to spend more of their budget on labor than ambulance services in other

[39] Medicare defines services in a rural area as services that are furnished (1) in an area outside a Metropolitan Statistical Area (MSA); or (2) an area identified as rural using the most recent version of the Goldsmith Modification even though the area is within an MSA. For a thorough explanation of how CMS defines rural, see Rural Health Information Hub "What is Rural Health?" Super-rural zip codes are specific to ambulances and include the lowest quartile of all rural counties by population density. See PaymentBasics 2021.

[40] TACIR staff analysis of ambulance service private acts and websites; and Tennessee Secretary of State Business Entity Search.

sectors. They also spend less of their budget on vehicles.[41] In 2025, the commission found that ambulances are becoming more expensive and harder to find, similar to other types of rolling stock.[42] TennCare Annual Cost and Utilization Report (ACUR) data shows the average number of vehicles owned by Tennessee ambulance services increased from 12 to 14, from 2021 through 2024.

The "equipment/other" category is a comparatively smaller portion of government-owned ambulance services' budgets (14% of ambulance spending) than for non-profit (20% of ambulance spending) and for-profit services (23% of ambulance spending).[43] Nevertheless, Tennessee ambulance services' equipment spending has increased adoption of certain technologies, according to ACUR data. The percentage of services using 12-lead cardiac monitors increased from 65% in 2021 to 88% in 2024, and the percentage of services having 12-lead transmission capabilities—where ambulances send information from their 12-lead monitors ahead to the hospital—increased from 70% in 2021 to 84% in 2024.

County ambulance services' expenditures increased from fiscal year 2021-22 to fiscal year 2023-24, according to data from the Comptroller of the Treasury, annual financial reports, and a TACIR survey.

County expenditures for ambulance service continue to increase.

The cost of providing ambulances services continues to grow. Data from the Tennessee Comptroller of the Treasury shows that the average expenditures for county ambulance services—with the middle 95% of counties represented to remove outliers—totaled $1.7 million in fiscal year 2021-22 and had increased to $2.0 million in fiscal year 2023-24—a 21% increase in three years. County annual financial reports and responses to a TACIR survey indicated similar trends. Counties' annual financial reports demonstrated that average ambulance expenditures increased 23% from $1.8 million in fiscal year 2021-22 to $2.2 million in fiscal year 2023-24.[44] For 16 counties responding to TACIR's survey, average ambulance expenditure increased 32% from $4.7 million in fiscal year 2021-22 to $6.1 million in fiscal year 2023-24.[45]

Although counties can be reimbursed for ambulance services provided, these reimbursements typically don't cover the entire cost of running an ambulance service, nor are they usually designed to do so, but they do offset the cost of providing the service. Based on data from the Tennessee

[41] Mulcahy et al 2024.
[42] Tennessee Advisory Commission on Intergovernmental Relations 2025.
[43] Mulcahy et al. 2024.
[44] TACIR staff analysis of counties' annual financial reports. Seventy-five counties represented. Calculated by removing the top and bottom 2.5% of the 79 counties with available financial data. Expenditure data may or may not include capital purchases, like ambulance vehicles.
[45] TACIR staff analysis of counties' survey responses. Counties represented include Marshall, Wilson, Stewart, Cumberland, Morgan, Meigs, Greene, Monroe, Lauderdale, Gibson, Bedford, Montgomery, Hardin, Sullivan, and Jefferson. Expenditure data may or may not include capital purchases, like ambulance vehicles.

Comptroller of the Treasury, average patient charges collected by Tennessee counties for ambulance services have increased in the past few years from $1.3 million in fiscal year 2021-22 to $1.4 million in fiscal year 2023-24, a 10% increase over that period.[46] The average amount by which expenditures exceeded collected patient charges for Tennessee counties increased from $488,716 in fiscal year 2021-22 to $720,648 in fiscal year 2023-24, a 47% increase.[47] See table 2.

Table 2. County Ambulance Services, Revenue and Expenditures Fiscal Years 2021-22 through 2023-24

	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Average Collected Patient Charges	$ 1,299,068	$ 1,400,770	$ 1,433,754
Average Expenditures	$ 1,684,415	$ 1,900,563	$ 2,032,892
Average Difference	$ (488,716)	$ (608,481)	$ (720,648)

Note: Seventy-six counties represented. Calculated by removing the top and bottom 2.5% of the 80 counties with available financial data. Expenditure data may or may not include capital purchases, like ambulance vehicles. Parentheses indicate negative numbers.

Source: TACIR staff analysis of data from Tennessee Comptroller of the Treasury, Division of Local Government Audit.

Eleven of Tennessee's 95 counties contracted with an ambulance service that did not require a payment from the county in fiscal year 2023-24. For example, Decatur County said the company that owns the local hospital provides ambulance services to the area at no cost to the county.[48] The other 84 counties made expenditures to provide ambulance services in fiscal year 2023-24. In addition to charges for services—including patient charges—funding for the ambulance services came from grants, the counties' general funds, transfers from other funds, or earmarked local tax revenue.[49]

Both counties and cities contribute to ambulance services.

State law requires counties to ensure ambulance services are available in their communities;[50] although cities are not required to provide ambulance services, they are authorized to do so, and 11 cities operate and fund their

[46] TACIR staff analysis of data from Tennessee Comptroller of the Treasury, Division of Local Government Audit. Seventy-six counties represented. Calculated by removing the top and bottom 2.5% of the 80 counties with available financial data. Expenditure data may or may not include capital purchases, like ambulance vehicles.
[47] Ibid.
[48] Interview with Mike Creasy, mayor, Decatur County, March 31, 2026.
[49] TACIR staff analysis of data from Tennessee Comptroller of the Treasury, Division of Local Government Audit, county annual financial reports, and TACIR staff survey of counties. Local tax revenue was mostly property tax revenue but also included bank excise tax; business tax; and local utilities, Tennessee Valley Authority, and other payments-in-lieu-of-tax revenues.
[50] Tennessee Code Annotated, Section 7-61-102.

own ambulance services in addition to the county service.[51] For example, until 2023, Wilson County used their own ambulance service to serve the entirety of the county, including two ambulances that covered the city of Mt. Juliet and the rest of western Wilson County. Since Mt. Juliet started their own ambulance service in 2023, the city's ambulance service covers Mt. Juliet, and according to local officials, the county and city services back each other up as needed.[52]

Some cities without their own ambulance service but with a fire service also provide emergency services. Sixty-nine respondents to a TACIR survey of city officials said their firefighters respond to the same incidents as county ambulance services, and representatives from the cities of Knoxville and Columbia said their firefighters often reach the scene before the county ambulance and provide stabilizing care until the ambulance can arrive.[53] Marshall, Gibson, and Montgomery Counties referenced working with municipal fire departments in their responses to TACIR's survey of county officials.[54] Twenty-nine of the 79 city representatives who responded to TACIR's survey said their baseline level of licensure for fire department employees is Emergency Medical Technicians (EMTs) or Advanced EMTs,[55] and the cities of Arlington, Gallatin, Kingston, and Knoxville said they employ licensed paramedics.[56] Some fire departments may pay for and provide their own medicine, like Brentwood Fire does when it responds to calls before Williamson Health's ambulances arrive.[57] The exact level of contribution would depend on how often a fire department operates in tandem with the county ambulance service. The city of Clarksville spent more than $31 million on its fire department in 2025, and city representatives said 70% of the department's calls overlap with Montgomery County's ambulance service.[58] The city of Columbia said they spent over $9 million on their fire department, and approximately 70% of the department's responses were medical trips.[59]

Eleven cities operate and fund their own ambulances in addition to the county service.

[51] TACIR staff analysis of Tennessee Department of Health EMS Services Directory, analyzed June 1, 2025.
[52] Interview with Mark Foulks, fire chief, and Eric Newman, EMS chief, Mt. Juliet Fire Department, June 24, 2025; interview with Brian Newberry, EMS chief and deputy director, Wilson County Emergency Management Agency, August 7, 2025; and Humbles 2023.
[53] Interview with Tony Massey, city manager, Chris Cummins, fire chief, and Thad Jablonski, assistant city manager, City of Columbia, May 21, 2025; interview with Dwight Van de Vate, chief of staff, and Kevin Parton, senior director of public health, Knox County, and Chris Gobble, principal council, Stones River Group, June 9, 2025.
[54] TACIR staff survey of Tennessee counties.
[55] TACIR staff survey of Tennessee cities.
[56] TACIR staff survey of Tennessee cities; and interview with Jeff Beaman, fire chief, Gallatin Fire Department, July 10, 2025.
[57] Interview with Brian Collins, fire chief, Brentwood Fire Department, June 24, 2025.
[58] Clarksville Fiscal Year 2026-27 Budget; and interview with Joe Pitts, mayor, Freddie Montgomery, fire chief, Jobe Moore, deputy chief of logistics, and Jim Eley, deputy chief of operations, Clarksville, June 13, 2025.
[59] Interview with Tony Massey, city manager, Chris Cummins, fire chief, and Thad Jablonski, assistant city manager, Columbia, May 21, 2025.

But city fire departments are also limited by Tennessee Department of Health regulations in how they contribute. Under current department rules, the county or city ambulance service's medical director sets the allowed level of medical care in that ambulance service's area of service. Non-transport fire departments cannot receive ambulance licensure under Tennessee's current law, which prevents them from employing their own medical director to set the level of care the fire department can provide. As a result, the level of care a city fire department can provide is set by the ambulance service's medical director and what care they decide area emergency medical personnel—including both ambulance services and fire departments—can provide.[60]

Some cities said they voluntarily contribute funding to county ambulance services. Greeneville maintains an agreement with Greene County to fund 30% of the county's ambulance service,[61] and representatives from many small cities in Hamilton County said at one point they sent the county funds and, in two cases, their own ambulance assets to join the county's covered ambulance service area.[62] The cities of Greenbriar, Chapel Hill, Smyrna, Unicoi, and Erwin also said they provided a financial supplement to their counties for ambulance services.[63] Cities also reported providing in-kind contributions, like sharing city property with the county ambulance service or even cooperatively building joint ambulance and fire stations. Twenty-eight cities reported providing county ambulance services with buildings or ambulance bays on city property.[64] In Sumner County, the city of Portland worked with the county, the county ambulance service, and the county school system to construct a joint fire/EMS station in an area of need.[65]

Some cities said they voluntarily contribute funding to county ambulance services, and other cities reported in-kind contributions like shared property or cooperative buildings.

In addition to partnerships with cities, counties may also have agreements with other entities that can serve as models or footholds for cooperation. Anderson County said they have maintained an interlocal agreement with both Roane County and Oliver Springs.[66] Claiborne County said

[60] Interview with Joe Pitts, mayor, Freddie Montgomery, fire chief, Jobe Moore, deputy chief of logistics, and Jim Eley, deputy chief of operations, Clarksville, June 13, 2025; interview with Brian Collins, fire chief, Brentwood Fire Department, June 24, 2025; interview with Travis Solomon, fire chief, and Jody Durham, deputy chief of operations, Oak Ridge Fire Department, December 9, 2025; interview with Jeff Beaman, fire chief, Gallatin Fire Department, July 10, 2025; and Tennessee Department of Health Rule 1200-12-01-.14(3)-(4).

[61] Interview with TJ Manis, EMS director, Greene County-Greeneville EMS, August 14, 2025.

[62] Interview with Small Cities Coalition of Hamilton County, August 13, 2025.

[63] TACIR staff survey of Tennessee cities.

[64] TACIR staff survey of Tennessee cities. Cities that reported such assistance include Johnson City, Oak Ridge, Atoka, Smyrna, Clarksville, Franklin, Coalmont, Greenfield, Goodlettsville, Ducktown, Halls, Gallatin, Algood, Chapel Hill, Ashland City, Columbia, Cornersville, East Ridge, Hendersonville, Williston, Arlington, Unicoi, Somerville, White House, Spring Hill, McMinnville, Dandridge, and Loretto.

[65] Interview with David Connor, executive director, Tennessee County Services Association, and Anthony Holt, executive director, Tennessee Association of County Mayors, April 29, 2025.

[66] Interview with Terry Frank, mayor, and Nathan Sweet, EMS director, Anderson County, June 16, 2025.

they maintained interlocal agreements with adjacent counties to provide ambulance services when necessary. Cumberland County said they have memoranda of understanding (MOUs) with local sheriff, police, and fire departments for emergency response, and Montgomery County said they maintain MOUs with local city and county fire departments. Stewart County said they work with local public safety and public health agencies, and Sullivan County said they work with the local healthcare coalition and the regional health department.[67]

The original version of Senate Bill 160 and House Bill 83, which was amended to become this TACIR study, would have required cities to help pay for county ambulance services by reimbursing a portion of county spending on ambulance services equal to the city's proportion of the county's population, up to 50% of the cost of providing ambulance service.[68] Representatives of cities opposed the bill primarily on the grounds that city residents are already helping to fund county ambulance services through their county taxes. They said, if the bill were to pass, city residents would be paying for the same service twice—once when they pay county taxes, and once when they pay city taxes.[69]

Representatives of cities opposed requiring cities to help pay for county ambulance services, primarily on the grounds that city residents are already helping to fund them through their county taxes.

Additionally, because cities would have been responsible for these payments under the original bill only if they don't operate their own ambulance services, representatives for cities said many cities would likely start their own ambulance services.[70] City representatives identified two primary reasons for this: if a city is going to pay for ambulance services, (1) the city would prefer to manage those dollars themselves to get their desired level of ambulance service,[71] and (2) the city would prefer to employ their own medical director and make their own decisions about the level of care their residents receive.[72] A scenario where cities created their own ambulance service rather than pay toward county services could fracture emergency response systems and affect response times when the city ambulance service does not respond to calls in unincorporated parts of

[67] TACIR staff survey of Tennessee counties.
[68] Original version of Senate Bill 160 by Senator Hensley and House Bill 83 by Representative Capley in 114th General Assembly.
[69] TACIR staff survey of Tennessee cities; and interview with Jeff Peach, city attorney, Murfreesboro, May 15, 2025.
[70] Interview with Mark Foulks, fire chief, and Eric Newman, EMS chief, Mt. Juliet Fire Department, June 24, 2025; and interview with Brian Collins, fire chief, Brentwood Fire Department, June 24, 2025.
[71] Interview with Tony Massey, city manager, Chris Cummins, fire chief, and Thad Jablonski, assistant city manager, City of Columbia, May 21, 2025; and interview with Marc Alley, emergency/fire management consultant, University of Tennessee, County Technical Assistance Service, February 20, 2026.
[72] Interview with Jeff Beaman, fire chief, Gallatin Fire Department, July 10, 2025; interview with Brian Collins, fire chief, Brentwood Fire Department, June 24, 2025; interview with Mark Foulks, fire chief, and Eric Newman, EMS chief, Mt. Juliet Fire Department, June 24, 2025; and interview with Travis Solomon, fire chief, and Jody Durham, deputy chief of operations, Oak Ridge, December 9, 2025.

the county.[73] Additionally, counties could end up paying more to provide service in outlying unincorporated areas, both because of the necessary driving time to reach those areas and the potential shift in payor mix resulting from another service transporting city residents. These outcomes could cause a city's decision to create their own ambulance service to snowball. For example, Brentwood Fire said that if Franklin created their own ambulance service, Williamson Health would likely be unable to maintain its level of service in Brentwood, and Brentwood would consider alternatives to Williamson Health.[74] If Franklin and Brentwood splintered off, Nolensville may experience a lower standard of care because the cities pulling out would fracture the system.[75]

County and city representatives can avoid these outcomes by voluntarily creating and strengthening mutually beneficial avenues to share costs and improve ambulance services, like the examples described above. When counties and cities maintained some form of cooperative agreement, that cooperation received praise from the associated stakeholders.[76] Some city representatives expressed concern that in a mandated situation, favorable agreements that they had jointly crafted with their county cohorts would be upended.[77] Rather, counties and cities should voluntarily cooperate to identify cost sharing arrangements.

County and city representatives can avoid unwanted outcomes by voluntarily creating and strengthening mutually beneficial avenues to share costs and improve ambulance services.

Recent federal law and potential federal rule changes could lower the total payment for ambulance transport of TennCare patients.

Ambulance services in Tennessee benefit from the state's requirement that TennCare—Tennessee's Medicaid service—reimburses two state-directed payments to ambulance services for transporting a TennCare-enrolled patient. First, the state requires TennCare's three managed care organizations (MCOs) to reimburse ambulance services at rates that are at least 67.5% of the Medicare rate.[78] The current average reimbursement rate for the MCOs is closer to 75% of Medicare, with some services receiving the statutory minimum of 67.5% and some services negotiating a higher rate.[79]

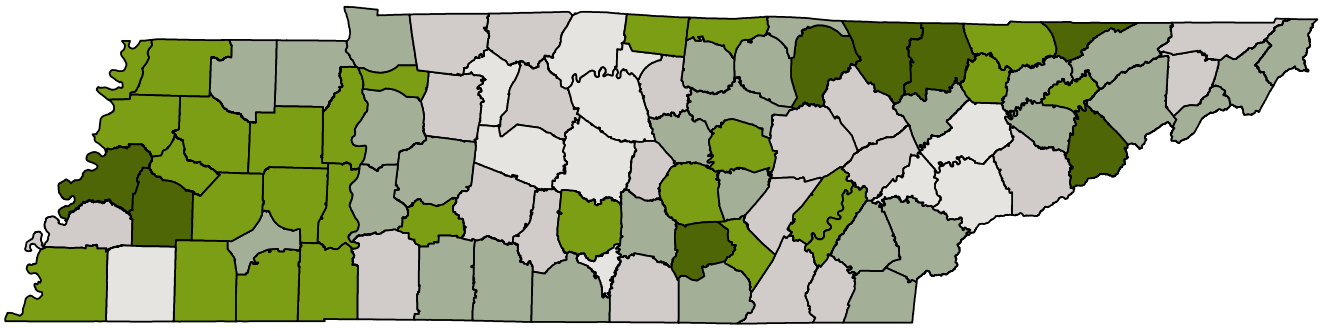
---

[73] Comment at commission meeting by Jeff Peach, city attorney, Murfreesboro, February 13, 2026.
[74] Interview with Brian Collins, fire chief, Brentwood Fire Department, June 24, 2025.
[75] Email from David Windrow, former Nolensville fire chief, December 9, 2025.
[76] Interview with Brian Collins, fire chief, Brentwood Fire Department, June 24, 2025; interview with Mark Foulks, fire chief, and Eric Newman, EMS Chief, Mt. Juliet Fire Department, June 24, 2025; and interview with Joe Pitts, mayor, Freddie Montgomery, fire chief, Jobe Moore, deputy chief of logistics, and Jim Eley, deputy chief of operations, Clarksville, June 13, 2025.
[77] Interview with Small Cities Coalition of Hamilton County, August 13, 2025; and interview with Joe Pitts, mayor, Freddie Montgomery, fire chief, Jobe Moore, deputy chief of logistics, and Jim Eley, deputy chief of operations, Clarksville, June 13, 2025.
[78] Tennessee Code Annotated, Section 71-5-165(a).
[79] Interview with Zane Seals, chief financial officer, Ashley Reed, legislative chief, and Samantha Rummage, fiscal chief of staff, TennCare, September 2, 2025.

Second, ambulance service providers receive a supplemental payment of $229.50 for every transport of a TennCare-enrolled patient through the Ground Ambulance Assessment Program (GAAP). The GAAP is funded by collecting an assessment from ambulance service providers for each transport they complete. Under current law, the assessment is the lesser of $20 or an amount sufficient to ensure the statewide assessment does not exceed 6% of statewide net operating revenues.[80] That tax generates matching federal funds, which are drawn down, added to the account, and disbursed quarterly. The state does not contribute any additional funds to supplement the tax paid by the ambulance services. Ambulance service representatives said this payment offsets some of the loss on the cost of transports.[81] Tennessee ambulance services paid $11.9 million in GAAP taxes in calendar years 2023 and 2024, though it was eventually returned via the supplemental payment.[82]

The effect of these payments on total revenue from patient charges matters more for counties whose ambulance services transport a greater share of patients enrolled in TennCare. The number of TennCare enrollees varies by county. See map 1.

Map 1. Percent of County Population Enrolled in TennCare 2021-2022



Percentage of Population enrolled in TennCare

- > 32.00 - 38.50
- > 27.50 - 32.00
- > 23.90 - 27.50
- > 19.10 - 23.90
- 6.10 - 19.10

Note: 2021-22 is the most recent data available from the dashboard.

Source: TACIR staff analysis of data from East Tennessee State University "Tennessee Livability Indicators Dashboard."

[80] Tennessee Code Annotated, Section 71-5-1504. The 6% limit is set by federal law regulating taxes against health providers. 42 Code of Federal Regulations 433.68(f)(3)(i)(A).

[81] Interview with Tim Booher, president, and Keith Douglas, administrative liaison, Tennessee Ambulance Service Association, and Caroline Simmons, counsel, McMahan, Winstead & Richardson, July 31, 2025.

[82] ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

Ambulance service providers say TennCare and Medicare's base reimbursement rates are too low. Nationally, the median total cost of providing emergency ambulance transport from May 2021 to May 2025 was $1,335.[83] In 2024, Tennessee ambulance services collected an average of $565.46 in revenue per emergency transport, an increase from previous years.[84] See table 3.

Table 3. Net Revenue per Emergency Transport

	2021	2022	2023	2024
25th Percentile	$ 325.74	$ 408.56	$ 379.21	$ 402.12
Average	$ 457.33	$ 447.15	$ 510.54	$ 565.46
75th Percentile	$ 495.88	$ 602.10	$ 621.56	$ 660.44

Source: TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

Tennessee could work with the Centers for Medicare and Medicaid Services (CMS) to increase TennCare rates, but Medicare rates are regulated at the federal level without the state's input.[85]

The federal government would have to approve any state action to increase base TennCare rates. Because mandated rates for TennCare's MCOs are classified as state directed payments (SDPs),[86] TennCare would need to seek the federal government's approval through CMS for the new mandated rate.[87] Though TennCare is still subject to CMS requirements and CMS can ask questions about the program at any time, TennCare does not currently have to complete the annual renewal process for the baseline 67.5% rate because it received an approved State Plan Amendment from CMS. The GAAP supplemental payment, however, does require annual reapproval.[88] TennCare said that the approval process is arduous—the application is "20-plus pages with 40-plus multi-part questions"—and even though CMS promises a 90-day approval period, the process can take more than six months and involve multiple rounds of back-and-forth questions.[89]

The federal government would have to approve any state action to increase base TennCare reimbursement rates for ambulance transports of TennCare patients.

TennCare also expressed concern[90] that an increase in the state directed payments for ambulance services could run afoul of recent federal legislation that limited state directed payments for inpatient hospital

[83] PWW Advisory Group 2025b (analyzing Buttorff et al. 2025).
[84] TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.
[85] 42 Code of Federal Regulations Chapter IV.
[86] See Centers for Medicare and Medicaid Services 2021.
[87] Interview with Zane Seals, chief financial officer, Ashley Reed, legislative chief, and Samantha Rummage, fiscal chief of staff, TennCare, September 2, 2025.
[88] Email from Samantha Rummage, fiscal chief of staff, Fiscal Division, TennCare, August 4, 2026.
[89] Interview with Zane Seals, chief financial officer, Ashley Reed, legislative chief, and Samantha Rummage, fiscal chief of staff, TennCare, September 2, 2025.
[90] Ibid.

services,[91] outpatient hospital services,[92] nursing facility services,[93] and qualified practitioner services[94] to 110% of the specified total published Medicare payment rate in non-expansion states like Tennessee.[95] Some counties' ambulance service providers are hospitals, like Maury Regional Health, and therefore their providers' reimbursement rates would be limited to 110% of the Medicare payment rate.

Currently, because most counties' primary ambulance service providers don't fall under the categories for which state directed payments are limited to 110% of the Medicare rate, it is possible that TennCare could avoid the limits and increase ambulance service payments to most counties' service providers by applying for federal approval of those directed payments separately from hospital-based providers. But based on TennCare's description of the application process and the federal government's current directive to reduce Medicaid payments in non-expansion states so that they are no more than 110% of Medicare rates,[96] these solutions are difficult and perhaps unachievable.

A newly proposed rule from the Centers for Medicare and Medicaid Services that would take effect in 2029 would limit all state directed payments, including those to non-hospital ambulance service providers, to 110% of the Medicare payment rate.

Moreover, a newly proposed rule from CMS that would take effect in 2029 would limit all state directed payments, including those to non-hospital ambulance service providers, to 110% of the Medicare payment rate. This

---

[91] 42 Code of Federal Regulations Section 440.10. Inpatient hospital services are defined as services that (1) are ordinarily furnished in a hospital for the care and treatment of inpatients; (2) are furnished under the direction of a physician or dentist; and (3) are furnished in an institution that (i) is maintained primarily for the care and treatment of patients with disorders other than mental diseases; (ii) is licensed or formally approved as a hospital by an officially designated authority for state standard-setting; (iii) meets the requirements for participation in Medicare as a hospital; and (iv) has in effect a utilization review plan, applicable to all Medicaid patients, that meets the requirements of § 482.30 of 42 Code of Federal Regulations Chapter IV, unless a waiver has been granted by the Secretary of Health and Human Services.

[92] 42 Code of Federal Regulations Section 440.20. Outpatient hospital services are defined as preventive, diagnostic, therapeutic, rehabilitative, or palliative services that (1) are furnished to outpatients; (2) are furnished by or under the direction of a physician or dentist; and (3) are furnished by an institution that (i) is licensed or formally approved as a hospital by an officially designated authority for state standard-setting; and (ii) meets the requirements for participation in Medicare as a hospital; and (4) may be limited by a Medicaid agency in the following manner: A Medicaid agency may exclude from the definition of "outpatient hospital services" those types of items and services that are not generally furnished by most hospitals in the state.

[93] 42 Code of Federal Regulations Section 440.40. Nursing facility services are defined as services that are (i) needed on a daily basis and required to be provided on an inpatient basis under §§ 409.31 through 409.35 of 42 Code of Federal Regulations Chapter IV; (ii) provided by (A) a facility or distinct part (as defined in § 483.5(b) of 42 Code of Federal Regulations Chapter IV) that meets the requirements for participation under subpart B of part 483 of 42 Code of Federal Regulations Chapter IV, as evidenced by a valid agreement between the Medicaid agency and the facility for providing nursing facility services and making payments for services under the plan or (B) if specified in the state plan, a swing-bed hospital that has an approval from CMS to furnish skilled nursing facility services in the Medicare program; and (iii) ordered by and provided under the direction of a physician.

[94] 42 Code of Federal Regulations Section 438.6(a). Qualified practitioner services at an academic medical center are defined as professional services provided by both physicians and non-physician practitioners affiliated with or employed by an academic medical center.

[95] Public Law 119-21, Section 71116, 119th Congress, 1st Session (2025).

[96] Interview with Johnny Lai, director, and Vincent Pinkney, deputy director, Managed Care Operations, TennCare, March 25, 2026.

would render methods of avoiding the current 110% limit—like applying for ambulance directed payments separately or carving out hospital-based providers—moot. This new rule would decrease the reimbursement dollars available for counties' ambulance providers, especially those where TennCare patients make up a greater portion of their patient pool than other counties.[97]

The sum of the TennCare base rate payment for emergency ambulance transport (67.5% of Medicare's 2026 base $284.56 payment, approximately $192.08) and the GAAP payment a flat rate of $229.50 per TennCare transport in 2026) is $421.58, approximately 148% of the base Medicare rate. The actual percentage of Medicare paid by TennCare's MCO's ends up slightly lower because Medicare also pays for mileage, which decreases the ratio. For example, the sum of the Medicare base rate and mileage payment for emergency transport in an urban area is $516.35; a provider that receives the average paid by TennCare's MCOs, 75% of the base Medicare rate, and the GAAP payment would receive $616.76, or 120% of the base Medicare rate. Even if a service only receives the state-mandated minimum of 67.5%, the sum paid to the ambulance service would be 112% of the Medicare rate, more than the new limits. TennCare says that based on its understanding of the proposed rule, Tennessee's state directed payments may need to meet federal guidelines as soon as the rule goes into effect—without a grandfathering period included in the final rule.[98] TennCare says it will do so by continuing to pay its base rate and reducing the GAAP payment to the degree necessary to meet the 110% limit.[99] This required decrease would limit the reimbursement dollars available to ambulance services. TennCare submitted comments on the proposed rule and requested that CMS consider not limiting the grandfathering period to only inpatient hospital services, outpatient hospital services, nursing facility services, or qualified practitioner services at academic medical centers and instead consider a consistent phase-down approach for all SDPs. A representative from TennCare said it is unclear when the final rule will be published.[100]

The federal government's proposed decrease of state directed payments would limit the reimbursement dollars available to ambulance services.

Some previously proposed state actions to raise reimbursement rates for ambulance service providers are likely still viable. For example, in the 114th General Assembly, Senate Bill 748 by Senator Yager and House Bill 201 by Representative Hicks would have increased the TennCare reimbursement rate for non-emergency transportation to 100% of the Medicare payment rate. Because non-emergency transport trips are not eligible to receive the GAAP supplemental payment, the only current state directed payment for

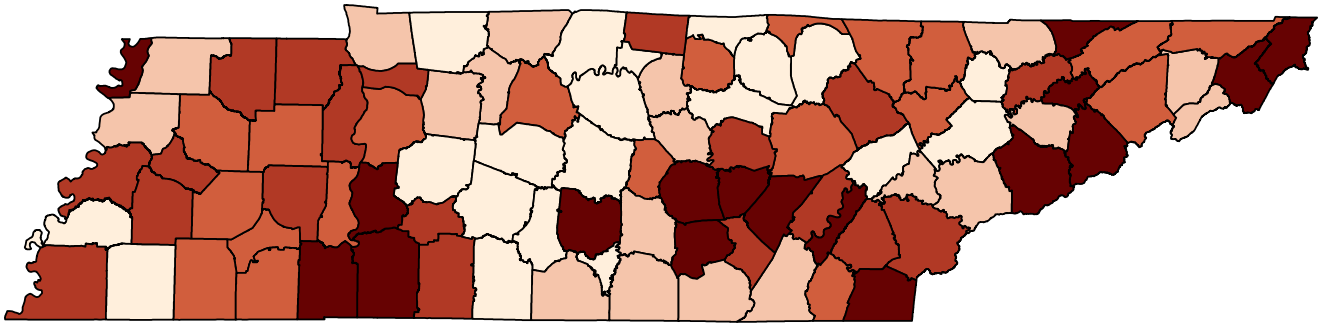
[97] Centers for Medicare and Medicaid Services 2026.
[98] Email from Samantha Rummage, fiscal chief of staff, Fiscal Division, TennCare, August 4, 2026.
[99] Email from Samantha Rummage, fiscal chief of staff, Fiscal Division, TennCare, May 27, 2026.
[100] Email from Samantha Rummage, fiscal chief of staff, Fiscal Division, TennCare, August 4, 2026.

these trips is the 67.5% TennCare base rate. Because it is the only payment, increasing the TennCare base rate to 100% would not exceed the upcoming 110% limit set by CMS. The Fiscal Review Committee found that this bill would cost the state $2,265,800.[101]

Senate Bill 1805 by Senator Bailey and House Bill 1836 by Representative Hale, also in the 114th General Assembly, would have terminated the GAAP supplemental payment and increased the reimbursement rate for covered ambulance service to a TennCare-enrolled patient at a rate not less than 110% of the Medicare rate for the same service. Without the GAAP payment, a base reimbursement set at 110% of the Medicare rate would not exceed the upcoming limit set by CMS. The Fiscal Review Committee found that this bill would cost the state $14,045,300.[102]

Areas of the state with proportionally large percentages of their population who are not insured may not benefit as much from any insurance reimbursement rate increases (see map 2). Ambulance service representatives and county service specialists described direct pay bills as difficult to collect.[103]

Map 2. Population Percent Uninsured (Age 19-64)
2021-2022



Population Percent Uninsured (Age 19 to 64)

- **> 18.50 - 26.00**
- **> 16.70 - 18.50**
- **> 15.10 - 16.70**
- **> 13.40 - 15.10**
- **5.80 - 13.40**

Note: 2021-22 is the most recent data available from the dashboard.

Source: TACIR staff analysis of data from East Tennessee State University "Tennessee Livability Indicators Dashboard."

[101] Fiscal Review Committee 2025a.
[102] Fiscal Review Committee 2025b.
[103] Interview with Terry Frank, mayor, and Nathan Sweet, EMS director, Anderson County, June 16, 2025; and interview with Marc Alley, emergency/fire management consultant, University of Tennessee, County Technical Assistance Service, February 20, 2026.

National data from 2022 show that ambulance services receive approximately 87.5% of their revenue from their patients, either directly from the patients themselves or from their insurers. Direct pay (9% of patient revenue), Medicare (36%), private insurance (28%), Medicaid (17%), and other sources[104] (10%) are all sources of revenue.[105] Information from the TennCare ACUR data, a required annual report, shows that Tennessee ambulance services' gross reimbursements for emergency transports[106] came from direct pay (13% of patient revenue), Medicare (42%), private insurance (22%), Medicaid/TennCare (18%), and other sources (5%).[107] This array of payors is referred to as an ambulance service's payor mix, and the makeup of a service's payor mix influences how much services are reimbursed.

Ambulance services may not collect the total value of their reimbursements. ACUR data showed bad debt—"the loss the agency incurred when the customer did not pay what was contractually owed or charged"—and contractual allowances—"the difference between the gross charge established by the EMS agency for the service provided and the payment that is accepted as payment in full from certain individuals with Medicaid, Medicare, or private insurance coverage"—decrease the amount of collected reimbursements, also called net revenue.[108] ACUR data showed that Tennessee ambulance services collected between 36% and 39% of their gross emergency transport revenue from 2021 through 2024. Government funded services collected slightly more—40% of gross transport revenue in 2021 with a steady increase to 49% of gross transport revenue in 2024. The payor mix for Tennessee ambulance services' net revenue was slightly different than for gross revenue, though made up of the same sources—direct pay (9% of patient revenue), Medicare (38%), private insurance (35%), Medicaid/TennCare (12%), and other sources (5%). Private insurance made up a noticeably higher percentage of collected revenue compared to billed revenue, compared to Medicare, TennCare, and direct pay.[109]

Accounting for bad debt and contractual allowances, Tennessee ambulance services collected between 36% and 39% of their gross emergency transport revenue from 2021 through 2024.

Typically, private insurers pay the highest reimbursement rates. A 2025 blind study of commercial payors by Alston and Bird found that the average commercial rate in Tennessee for Advanced Life Support transports was $1,143 per transport.[110] Tennessee-specific data showing the average Medicare payment in the state was unavailable, but national data

[104] Defined as "TriCare or the Veterans Administration . . . workers compensation or unknown." See Health Management Associates 2025.
[105] Health Management Associates 2025.
[106] Net reimbursements equal the total amount of reimbursements minus uncollected ("bad") debt and contractual allowances.
[107] TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.
[108] TennCare 2026; and TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.
[109] TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.
[110] Data received in email from Larry Gage, senior counsel, Alston and Bird, February 18, 2026.

was available to show the average ($1,147) and median ($625) Medicare payment for Advanced Life Support transport.[111]

The General Assembly should make funding for its existing ambulance equipment grant recurring.

Equipment costs make up approximately 4% of the average ambulance service's costs, nationally.[112] Tennessee specific data was not available; however, applying that same percentage to Tennessee demonstrates the effect of equipment spending on ambulance services' costs. Four percent of county spending on primary ambulance service providers would be just under $20 million.[113] These supplies can be difficult to obtain, depending on their place of origin and demand for medications. Wilson County's ambulance service said that the supply chain of medicine has caused cost increases, and they expected increases based on new federal tariffs.[114] Costs can also shift between services. Brentwood Fire said that when Williamson Health stopped supplying some of the fire departments, including Brentwood Fire, the fire department experienced an immediate increase in costs and needed to double its equipment budget for the following year.[115]

The state provides recurring grants to six of the 12 services counties are required to provide, but ambulance service is not one of them.

The state requires counties to provide 12 services[116] and provides grants for most of them. Of the 12 required county services in Tennessee, 10 receive grant funding from the state. Six (emergency management, education, law enforcement, roads and bridges, solid waste, and storm water) receive recurring grants, four receive non-recurring grants (ambulance services, jails, health departments, and medical examiners), and two do not receive grants (courthouses and growth management). See table 4.

[111] PWW Advisory Group 2025a (analyzing Mulcahy et al. 2024).
[112] Buttorff et al. 2025.
[113] TACIR staff analysis of data from Tennessee Comptroller of the Treasury, Division of Local Government Audit, county annual financial reports, and TACIR staff survey of counties.
[114] Interview with Brian Newberry, EMS chief and deputy director, Wilson County Emergency Management Agency, August 7, 2025.
[115] Interview with Brian Collins, fire chief, Brentwood Fire Department, June 24, 2025.
[116] UT County Technical Assistance Service "Required and Optional Services."

Table 4. State Funding for Required County Services

Required County Service	Grants	Partial Reimbursements	Direct Funding	No Funding
Ambulance Service	X	X		
Education	X		X	
Civil Defense	X			
Courthouse				X
Growth Management Policy				X
Health Department*	X		X	
Law Enforcement	X			
Jail	X (infrequent)	X (state inmates)		
Medical Examiner	X (infrequent)	X (state autopsy)		
Roads and Bridges	X		X	
Solid Waste	X			
Storm Water	X			

* Grants available at state level. State pays county health director's salary.

Source: UT County Technical Assistance Service "Required and Optional Services"; Public Chapter 1142, Acts of 2026; Tennessee Code Annotated, Section 71-5-165; Tennessee Code Annotated, Section 49-3-103; Tennessee Emergency Management Agency "Preparedness Grants and Programs"; Tennessee Emergency Management Agency "FEMA Public Assistance"; Tennessee Department of Health "Healthcare Resiliency in Tennessee"; Tennessee Code Annotated, Section 68-2-603(a)(4); Tennessee Office of Criminal Justice Programs (OCJP) "Violent Crime Intervention Fund (VCIF) Zip Code Grant and Downtown Public Safety Grants (DPSG) Programs"; Office of the Governor 2025; Tennessee Code Annotated, Section 41-8-106; Tennessee Code Annotated, Section 41-4-115; Tennessee Code Annotated, Section 38-7-104; Tennessee Department of Health Rule 1200-15-03-.04; UT County Technical Assistance Service "State Aid Highway Program"; Tennessee Department of Environment and Conservation (TDEC) "Grants Administration—Materials Management Program"; Tennessee Department of Environment and Conservation "Sewer Overflow & Stormwater Reuse Grant (OSG)."

The General Assembly appropriated $5 million for ambulance equipment grants in 2025,[117] so each licensed ambulance service in the state could receive $23,000. That previous grant funding for equipment was non-recurring, so services could not rely on the grant as they budgeted. The state did not provide a grant during the previous year but did provide a grant two years ago.[118] Changing the equipment grant from non-recurring to recurring could help ambulance services better plan for the revenue.

Stakeholders say more training centers could improve staffing of ambulance services.

In Tennessee, the level of care provided by ambulance services is classified by both the equipment on the vehicles and the staff onboard (see table 5). The categories and their classes are based on whether the service provides Advanced or Basic Life Support. Advanced Life Support (ALS) requires

[117] Public Chapter 1142, Acts of 2026.
[118] Tennessee Department of Health 2023.

staff to have more advanced licenses and be able to provide more advanced care than Basic Life Support (BLS) does. For example, because an ALS ambulance is staffed with an advanced emergency medical technician (AEMT) and a BLS ambulance is not, an ALS ambulance can provide intravenous therapy and dress wounds that a BLS ambulance cannot.[119]

The bulk of Tennessee's ambulance services are divided into two categories by Tennessee Department of Health licensure rules based on how much they serve the county or counties in which they operate. Services designated by the local government as primary emergency responders are Category A (148 services), and any volunteer, not for profit services are Category C (54 services).[120] Other less common categories and their counts include Categories B for non-primary providers (0), E for conditional licenses (13), G for Rotorwing (10), H for fixed wing (1), I for invalid vehicle service (23), and S for special (5).

Primary ambulance service providers—the service that 911 dispatch sends to emergencies by default—must make at least 90% of runs with an Advanced Life Support-equipped ambulance staffed with at least an Advanced Emergency Medical Technician and Emergency Medical Technician or better.

Category A is divided into 4 levels based on the percentage of runs an ambulance service performs with specific equipment and staff. Primary ambulance service providers (the service that 911 dispatch sends to emergencies by default) must operate at least as level 4, so they must make at least 90% of runs with an ALS-equipped ambulance staffed with at least an AEMT and EMT or better. These providers can, optionally, operate at higher levels. Levels 1 and 2 require that 100% and 90% of runs, respectively, are made with ALS-equipped ambulances and staffed with 1 paramedic and 1 EMT (or higher level of certification). Level 3 requires that 100% of runs are made with ALS-equipped ambulances and staffed with two AEMTs. Category C ambulances must operate at level 4, as a minimum.[121]

Each certification outlined by those categories relies on the skills of the ambulance staff to provide a particular level of service. There is a clear career progression path for ambulance crews through several levels of licensure, from Emergency Medical Responders (EMRs) to Critical Care Paramedics. See table 5.

[119] Tennessee Department of Health Rule 1200-12-01-.14(1)(a) and (b); Tennessee EMS Board 2024; and Tennessee Department of Health 2024.
[120] TACIR staff analysis of Tennessee Department of Health EMS Services Directory, analyzed June 1, 2025.
[121] Tennessee Department of Health Rule 1200-12-01-.14(3).

Table 5. Skills by Level of Licensure

Licensure	Examples of Skills	More Training and Experience
Emergency Medical Responder (EMR)	Bag-valve-mask, cricoid pressure (Selleck's maneuver), CPR, obstruction removal, hemorrhage control, assist with spinal immobilization, extremity stabilization and splinting, emergency moves for endangered patients	
Emergency Medical Technician (EMT)	Oxygen setup and administration, long spine board, traction splint, cardiac arrest management, bleeding/shock control management, long bone and joint immobilization, airway management, medication administration	
Advanced Emergency Medical Technician (AEMT)	Intravenous fluids, IV therapy, bleeding/shock control management, wound dressing, analgesic administration, intraosseous infusion initiation, continuous positive airway pressure (CPAP) application	
Paramedic	Dynamic cardiology, endotracheal intubation, pleural decompression, pain medication administration	
Critical Care Paramedic	Chest tube placement, cricothyrotomy, initiate blood transfusion, assist with arterial line management, ventricular assist device monitoring, intracranial pressure monitoring, electrocardiograms	

Source: Tennessee EMS Board 2024; and Tennessee Department of Health 2024.

According to ambulance service providers, staffing shortages have not recovered since worsening during the COVID-19 pandemic. Ambulance service industry members and county representatives consistently focused on staffing issues as inhibitors. For example, the Tennessee Ambulance Services Association (TASA) said staffing is an issue, and Knox County said there is a shortage of ambulance workers in Tennessee.[122] Williamson Health said that its ambulance service is not fully staffed despite being able to offer employees benefits like favorable scheduling and higher pay.[123] The Tennessee County Services Association said it is not sure that

[122] Interview with Tim Booher, president, and Keith Douglas, administrative liaison, Tennessee Ambulance Service Association, and Caroline Simmons, counsel, McMahan, Winstead & Richardson, May 6, 2025; and interview with Dwight Van de Vate, chief of staff, and Kevin Parton, senior director of public health, Knox County, and Chris Gobble, principal council, Stones River Group, June 9, 2025.

[123] Interview with Phil Mazzuca, CEO, Michael Wallace, EMS chief, Todd Tilghman, director of revenue cycle, and Melissa Headley, assistant director of revenue cycle, Williamson Health, and Rogers Anderson, mayor, Williamson County, and Jeffrey Moseley, senior member, Buerger Moseley & Carson, PLC, and Keith Douglas, administrative liaison, Tennessee Ambulance Service Association, and Caroline Simmons, counsel, and JP Homik, counsel, McMahan Winstead & Richardson, June 3, 2025.

any ambulance provider would describe itself as "well-staffed."[124] Wilson County was the only stakeholder interviewed who said it has heard services are back to being fully staffed, compared to the previous five years when they were short-staffed.[125]

Ambulance service providers also said that retention rates have not recovered since the COVID-19 pandemic. Anderson County reported that "always recruiting" is the "new normal."[126] Dickson, Giles, and Wilson Counties reported employees leaving to work in other ambulance services for better pay or schedules; they said it can be difficult to finance or finalize pay or scheduling changes in enough time to retain the employee.[127] Dickson, Giles, and Wilson Counties each reported needing recent pay increases to remain competitive with surrounding counties.[128] Anderson County said employees leave for other reasons—pharmacy school, hospital jobs, and leaving EMS completely were all mentioned as common motives.[129] TBR staff said that the employment length of an average EMT is approximately eight months now, compared to approximately five years historically.[130] In 2021, the national turnover rate was 24% for EMTs and 26% for paramedics, higher than other healthcare professions in the same year (e.g., 19.5% for all hospital staff and 18.7% for registered nurses).[131]

Some county ambulance services reported challenges with recruiting or retaining employees.

In Tennessee, according to Bureau of Labor Statistics data from May 2024, EMTs average pay is $40,090 per year, while paramedics average $57,880. The average annual wages vary across Tennessee MSAs. For example, paramedics average $38,220 in Kingsport/Bristol and average $69,130 in Cleveland.[132] According to O*Net, a labor data collector sponsored by the United States Department of Labor, Tennessee will need 9% (280) more EMTs and 11% (390) more paramedics, from 2022 to 2032.[133]

---

[124] Interview with David Connor, executive director, Tennessee County Services Association, and Anthony Holt, executive director, Tennessee Association of County Mayors, April 29, 2025.
[125] Interview with Brian Newberry, EMS chief and deputy director, Wilson County Emergency Management Agency, August 7, 2025.
[126] Interview with Terry Frank, mayor, and Nathan Sweet, EMS director, Anderson County, June 16, 2025.
[127] Interview with Brian Newberry, EMS chief and deputy director, Wilson County Emergency Management Agency, August 7, 2025; interview with Bob Rial, Mayor, and Donny Bear, EMS director, Dickson County, July 30, 2025; and interview with Graham Stowe, executive, and Willow Chavez, EMS chief, Giles County, May 28, 2025.
[128] Interview with Brian Newberry, EMS chief and deputy director, Wilson County Emergency Management Agency, August 7, 2025; interview with Bob Rial, mayor, and Donny Bear, EMS director, Dickson County, July 30, 2025; and interview with Graham Stowe, executive, and Willow Chavez, EMS chief, Giles County, May 28, 2025.
[129] Interview with Terry Frank, mayor, and Nathan Sweet, EMS director, Anderson County, June 16, 2025.
[130] Interview with Jothany Reed, vice chancellor for academic affairs, Zachary Adams, assistant vice chancellor for academic affairs and workforce alignment, John Williams, assistant vice chancellor for government and public relations, Tennessee Board of Regents, and David Blevins, director of EMS education programs, Roane State Community College, July 31, 2025.
[131] American Ambulance Association et al. 2021; and Nursing Solutions Inc. 2021.
[132] US Bureau of Labor Statistics "Occupational Employment and Wage Statistics."
[133] O*Net "Tennessee Employment Trends."

Because increasing levels of care require increasing levels of employee skill, training is an essential aspect of staffing. A study of United States paramedic education programs found that one in three students are lost from the workforce because of "attrition during the educational program or failure to certify after course completion."[134] The Tennessee Board of Regents (TBR) offers training opportunities at the state's colleges and in high school dual enrollment programs[135] and expressed confidence in their training capabilities, saying that emergency service program offerings and capabilities have expanded across the state. They said that TBR schools have awarded an increasing number of certificates and degrees, including 1,362 EMT certificates (a 16.7% increase), 468 paramedic certificates (a 37.8% increase), 138 paramedic associate degrees (a 2.5% increase), and 948 AEMT certificates (no increase) over the last three years. They also said that enrollment has increased across all programs, including the EMT (a 3.1% increase), AEMT (a 3.6% increase), paramedic (a 40.2% increase), and paramedic associates degree (a 9.1% increase) programs.[136]

Because increasing levels of care require increasing levels of employee skill, training is an essential aspect of staffing.

Still, stakeholders reported that not enough trained personnel are available. TASA said that ambulance services have a difficult time hiring, in part, because the spots available in colleges are now being filled by individuals who are training to become nurses, firefighters, or other non-ambulance employees. As a result, TASA said, the graduating classes of trained EMS workers are not enough to meet the needs of the state.[137] A Meigs County official told them that they are in a "critical need crunch" for employees, reporting both that national testing is difficult to pass and that college courses are unaffordable.[138]

Ambulance services gained a way to directly train their own employees when the General Assembly, after a 2018 pilot program, passed a law allowing ambulance services to start a total of 15 training centers operated by the ambulance services themselves.[139] These training centers allow ambulance services to hire individuals to work for their service and then train them to the level the service needs. Greene County, for example, said that they recently hired two individuals out of high school and plan to use their training center to help the new employees reach AEMT status

[134] Ball et al. 2023; see also Powell et al 2024.
[135] The College System of Tennessee 2026.
[136] Email from Zachary Adams, assistant vice chancellor for academic affairs and workforce alignment, Tennessee Board of Regents, July 30, 2025.
[137] Interview with Phil Mazzuca, CEO, Michael Wallace, EMS chief, Todd Tilghman, director of revenue cycle, and Melissa Headley, assistant director of revenue cycle, Williamson Health, and Rogers Anderson, mayor, Williamson County, and Jeffrey Moseley, senior member, Buerger Moseley and Carson, PLC, and Keith Douglas, administrative liaison, Tennessee Ambulance Service Association, and Caroline Simmons, counsel, and JP Homik, counsel, McMahan Winstead and Richardson, June 3, 2025.
[138] TACIR staff survey of Tennessee counties.
[139] Public Chapter 489, Acts of 2019.

while working for the service.[140] The Board of Regents emphasized that these centers cannot train paramedics.[141] These centers can train three classes of 20 students per year to become emergency medical technicians and advanced emergency medical technicians for a total of 60 students annually.[142] Greene County reported that these programs have "deepened the pipeline of EMTs" in the area; its ambulance service even runs EMS education at the local high schools.[143] The General Assembly raised the cap on the number of allowed training centers from 15 to 30 in 2022;[144] the cap remains at 30 today, and 30 training centers are licensed to operate.[145] Stakeholders mentioned raising or removing the cap as potential alternatives to help improve the availability of EMS workers.[146]

Stakeholders reported that not enough trained personnel are available even after ambulance service training centers were authorized in 2018.

Removing the cap could cause issues for regulators. A representative from the Office of Emergency Medical Services in the Tennessee Department of Health, which regulates the training centers, said that each new training service requires additional resources and time from their office, and they have not received a staff increase related to the previous increase from 15 to 30 training centers.[147] According to one stakeholder, the last time the cap was increased discussions focused in part on whether increasing the number of training centers would have a negative effect on the quality of training.[148] At commission staff's request, the Office of EMS provided data from the 30 training centers, including the date the center was

[140] Interview with Phil Mazzuca, CEO, Michael Wallace, EMS chief, Todd Tilghman, director of revenue cycle, and Melissa Headley, assistant director of revenue cycle, Williamson Health, and Rogers Anderson, mayor, Williamson County, and Jeffrey Moseley, senior member, Buerger Moseley and Carson, PLC, and Keith Douglas, administrative liaison, Tennessee Ambulance Service Association, and Caroline Simmons, counsel, and JP Homik, counsel, McMahan Winstead and Richardson, June 3, 2025.

[141] Interview with Jothany Reed, vice chancellor for academic affairs, Zachary Adams, assistant vice chancellor for academic affairs and workforce alignment, John Williams, assistant vice chancellor for government and public relations, Tennessee Board of Regents, and David Blevins, director of EMS education programs, Roane State Community College, July 31, 2025.

[142] Tennessee Code Annotated, Section 68-140-331.

[143] Interview with TJ Manis, EMS director, Greene County-Greeneville EMS, August 14, 2025.

[144] Public Chapter 684, Acts of 2022.

[145] Tennessee Code Annotated, Section 68-140-331.

[146] Interview with Jothany Reed, vice chancellor for academic affairs, Zachary Adams, assistant vice chancellor for academic affairs and workforce alignment, John Williams, assistant vice chancellor for government and public relations, Tennessee Board of Regents, and David Blevins, director of EMS education programs, Roane State Community College, July 31, 2025; interview with Tim Booher, president, and Keith Douglas, administrative liaison, Tennessee Ambulance Service Association, and Caroline Simmons, counsel, McMahan, Winstead & Richardson, May 6, 2025; and interview with Phil Mazzuca, CEO, Michael Wallace, EMS chief, Todd Tilghman, director of revenue cycle, and Melissa Headley, assistant director of revenue cycle, Williamson Health, and Rogers Anderson, mayor, Williamson County, and Jeffrey Moseley, senior member, Buerger Moseley & Carson, PLC, and Keith Douglas, administrative liaison, Tennessee Ambulance Service Association, and Caroline Simmons, counsel, and JP Homik, counsel, McMahan Winstead & Richardson, June 3, 2025.

[147] Email from Russell Gupton, EMS consultant at-large/statewide, Tennessee Department of Health, Office of Emergency Medical Services, March 3, 2026.

[148] Interview with Jothany Reed, vice chancellor for academic affairs, Zachary Adams, assistant vice chancellor for academic affairs and workforce alignment, John Williams, assistant vice chancellor for government and public relations, Tennessee Board of Regents, and David Blevins, director of EMS education programs, Roane State Community College, July 31, 2025.

certified, how many students the centers have trained in the last three years, the end date of the last class the center produced, and the center's three-year average pass rate. That data indicates that only 1,059 of the 5,040 available seats from 2022 through 2025 were filled; in other words, ambulance training centers used approximately 21% of the statutory cap. One ambulance training center is currently on the waiting list to join the 30 approved training centers, and one ambulance training center has not produced a graduate since 2019.[149]

Because the centers do not seem to operate at capacity and one service is not currently using their training center, one option to eliminate the waiting list is to change the cap to 30 active training centers and remove the currently inactive training centers. While quick, this change presents a few problems. First, the General Assembly would need to create and apply a definition for "active," which requires more drafting of legislation compared to a simple increase or cap removal. Second, while a service may not currently have a need for training capacity, the service did have a need at one time and was able to obtain licensure to conduct that training. Removing a training center from the approved list would prevent the service from responding to training needs in the future. Finally, while only one service is currently on the waiting list, any future additions to the waiting list would be unable to join until another service becomes inactive, meaning the General Assembly may need to revisit the cap quickly.[150]

State law allows for 30 ambulance service training centers; ambulance training centers used approximately 21% of the available seats from 2022 through 2025.

Another alternative is to increase the cap from 30 training centers to a higher number. Trainees must pass national exams to be licensed as emergency medical technicians, and judging by first attempt pass rates, quality of the training centers was not harmed when the cap was increased from 15 to 30 in 2022.[151] Pass rates were approximately the same for training centers started before or after the increase—62% and 63%, respectively.[152]

There are other opportunities for local governments and ambulance services to increase revenue and reduce costs.

In addition to increased county and city cooperation, the commission identified other opportunities for some local governments and ambulance services to increase revenue or reduce costs. While these opportunities

[149] TACIR staff analysis of EMS training center data received in email from Russell Gupton, EMS consultant at-large/statewide, Tennessee Department of Health, Office of Emergency Medical Services, March 3, 2026.
[150] Ibid.
[151] Ibid; and Public Chapter 684, Acts of 2022.
[152] Interview with Jothany Reed, vice chancellor for academic affairs, Zachary Adams, assistant vice chancellor for academic affairs and workforce alignment, John Williams, assistant vice chancellor for government and public relations, Tennessee Board of Regents, and David Blevins, director of EMS education programs, Roane State Community College, July 31,2025; and TACIR staff analysis of EMS training center data provided by the Tennessee Department of Health, Office of Emergency Medical Services.

may not be applicable to or feasible for all counties, counties that are able to implement these changes could increase the revenue generated by their primary ambulance service provider or reduce the cost of providing that service.

Ambulance services can contract for third party billing.

Contracting with a third-party billing company can improve collection rates for ambulance service charges.

Contracting with a third-party billing company can improve collection rates for ambulance service charges. When an ambulance service provider bills a patient or patient's insurance for providing their services, they rely on the payor to reimburse the service for the cost of providing transportation to the patient's necessary destination. In some instances, insurance may refuse to pay or pay less than the service expects.[153] For example, an insurance company may refuse to reimburse a billed claim for emergency transport if it deems that emergency transport was not medically necessary according to its policy's definition.[154] Insurance may pay less than expected if the transport was provided by an out-of-network ambulance service provider.[155] In these instances, an ambulance service without a third party billing company would need to invest staff time to litigate the claim with the insurance company or otherwise accept the lower or zero-dollar payment.

A representative from Vanderbilt LifeFlight said that their service has seen a steady decrease in the funds reimbursed from Medicare at the same time as an increase in the use of Medicare Advantage plans. These Advantage plans, they said, are incentivized to deny claims at a high rate to better manage the insured group's resources.[156] Denial rates were unavailable because insurance companies are not required to report that data. Vanderbilt LifeFlight said that these Advantage plans may deny a claim and say they need more information and then review the new information for several months before eventually paying or denying it again. Additionally, they said that insurance companies are using artificial intelligence to review and respond to claims for reimbursement,[157] and a recent study found that insurers are increasingly adopting AI claim review products that have been found to deny claims at a high rate.[158] Vanderbilt

[153] Interview with Stephan Russ, executive medical director, Vanderbilt LifeFlight, July 11, 2025.
[154] See, e.g., TennCare's requirement and definition of "medical necessity." Tennessee Department of Finance and Administration Rule 1200-13-16-.01(31) (medically necessary is defined in Tennessee Code Annotated, Section 71-5-144); and Tennessee Department of Finance and Administration Rule 1200-13-16-.03 (TennCare only pays for medically necessary services); and Tennessee Code Annotated, Section 71-5-144 (a medically necessary service is one that is recommended by a licensed physician treating the enrollee, required to treat the enrollee's medical condition, safe and effective, not experimental or investigational, and the least costly alternative course of diagnosis or treatment that is adequate to treat the condition).
[155] TennCare Policy Manual. Policy No: PRO 08-001.
[156] Interview with Stephan Russ, executive medical director, Vanderbilt LifeFlight, July 11, 2025.
[157] Ibid.
[158] Mello et al. 2026.

LifeFlight said that when claims are denied, they move them to bad debt for the hospital.[159]

ACUR data showed that total bad debt for services that reported being funded by a government entity like a county or city equaled more than $76 million in 2024. Direct pay—bills sent directly to the patient—accounted for 78% of total bad debt, followed by other payor sources (15% of total bad debt), private insurance (5%), Medicare (1%), and Medicaid/TennCare (1%) in 2024.[160] A representative for Priority Ambulance, a private company that provides emergency ambulance transport for some Tennessee counties, said that the bulk of their bad debt also comes from direct pay bills.[161]

Staff of the Local Government Audit office (LGA) of the Tennessee Comptroller of the Treasury said the Comptroller recommends that counties establish criteria and parameters for what the county considers a bad debt, along with an approval process for writing off bad debt. They also said counties can set different timelines for when to write bad debt off, but the Comptroller does not recommend a specific timeline. Examples given by LGA staff included 90 days, two years, and "after every reasonable effort is exhausted."[162] A representative of Priority Ambulance said they keep unpaid debts on their books for 91 days, then on their collection audits books for another 21 days, for a total of 112 days before being sent to a collection agency and written off Priority's books.[163]

Direct pay—bills sent directly to the patient—accounted for 78% of total bad debt.

Representatives from some ambulance services said they already outsourced their billing to a third-party. Dickson County said they outsourced the billing because it is not cost effective for them to do it in-house, and the county's collection rates on payments improved after the service outsourced billing.[164] Wilson County Emergency Management Agency said that the county's ambulance service performs quality controls on billing before sending it to a billing company that handles it from that point forward.[165] Vanderbilt LifeFlight said, despite its resources, that it is in the process of outsourcing its billing process because insurance payors are way ahead in the technological arms race, and there are companies better suited to deal with the approval process, including fighting AI denials.[166] The Tennessee Ambulance Service Association hosts an annual conference on reimbursement and compliance; in 2026, a panel discussed

[159] Interview with Stephan Russ, executive medical director, Vanderbilt LifeFlight, July 11, 2025.
[160] ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.
[161] Interview with Maria Zito, chief revenue officer, Priority Ambulance, June 25, 2026.
[162] Interview with Lee Ann West, principal of audit operations, Local Government Audit, Tennessee Comptroller of the Treasury, June 30, 2026.
[163] Interview with Maria Zito, chief revenue officer, Priority Ambulance, June 25, 2026.
[164] Interview with Bob Rial, mayor, and Donny Bear, EMS director, Dickson County, July 30, 2025.
[165] Interview with Brian Newberry, EMS chief and deputy director, Wilson County Emergency Management Agency, August 7, 2025.
[166] Interview with Stephan Russ, executive medical director, Vanderbilt LifeFlight, July 11, 2025.

"Top Reasons for Denying Claims and How to Address Them" followed by a presentation on the "Future of EMS Reimbursement."[167]

Ambulance services that are not already using a third-party billing company could improve their collection rates—and, thereby, the available funds for their ambulance service—by contracting with a billing company that can manage claims and maximize the amount reimbursed while also investing the resources necessary to navigate the evolving insurance reimbursement landscape.

Ambulance services can offer non-emergency transport.

Some ambulance services provide limited or case-specific non-emergency transport, while others make it most or all of their service model.

Some ambulance services also provide non-emergency transport. Definitions may vary slightly, but Medicaid defines non-emergency transport as transportation to and from appointments and services for patients who have a legitimate need for the services where there is no immediate threat to the life or health of the patient.[168] Representatives of ambulance services that perform non-emergency transport described transport for dialysis, bariatric patient transport, hospital discharges, and interfacility transport as portions of their operations. Some ambulance services, like Anderson County and Giles County, provide limited or case-specific non-emergency transport, while others, like Tennessee Carriers, make it most or all of their service model.[169]

Unlike emergency transport, non-emergency transport is a planned and scheduled operation. Depending on the patient's insurance, either the service or patient must obtain authorization from the patient's insurance before the service provides the non-emergency transport, which generally helps ensure reimbursement, though Tennessee Carriers and Greene County both said that they experience some denials.[170] The scheduled nature of these trips allows the service to allocate resources more efficiently than emergency calls. The service can establish the exact level of vehicle and employee necessary for the trip, schedule the trip during specific hours, and even keep specific non-emergency vehicles so that they do not have to pull ambulances out of the field.[171]

---

[167] Tennessee Ambulance Service Association 2026.
[168] Centers for Medicare and Medicaid Services 2016.
[169] Interview with Sally Wynn, vice president of strategy and innovation, Luke Wynn, vice president of operations, and Martha Kendall, senior director of NEMT governance, Tennessee Carriers, and Estie Harris, managing principal, HB Strategies, June 20, 2025; interview with Terry Frank, mayor, and Nathan Sweet, EMS director, Anderson County, June 16, 2025; and interview with Graham Stowe, executive, and Willow Chavez, EMS chief, Giles County, May 28, 2025.
[170] Interview with Sally Wynn, vice president of strategy and innovation, Luke Wynn, vice president of operations, and Martha Kendall, senior director of NEMT governance, Tennessee Carriers, and Estie Harris, managing principal, HB Strategies, June 20, 2025; and interview with TJ Manis, EMS director, Greene County-Greeneville EMS, August 14, 2025.
[171] Interview with Sally Wynn, vice president of strategy and innovation, Luke Wynn, vice president of operations, and Martha Kendall, senior director of NEMT governance, Tennessee Carriers, and Estie Harris, managing principal, HB Strategies, June 20, 2025.

Because of the reimbursement structures used to pay for non-emergency transport, patient charges can be high enough to cover the full cost of non-emergency transport.[172] Services can negotiate different payment models with insurers. Tennessee Carriers said that most of their business comes from "per member per month" reimbursement, where two of TennCare's MCOs pay Tennessee Carriers a monthly rate to transport TennCare patients based on the total population of Medicaid-insured members in Tennessee. Tennessee Carriers also performs fee for service transport with one MCO, where Tennessee Carriers provides transport and is then reimbursed for that transport specifically.[173] Anderson County and Greene County said that they have specific arrangements with area medical facilities to perform non-emergency transport.[174] Currently, TennCare's non-emergency transport fees are set at 67.5% of the Medicare rate.[175] Senate Bill 748 by Senator Yager and House Bill 201 by Representative Hicks, proposed during the 114th General Assembly, would have increased the TennCare reimbursement rate for non-emergency transportation to 100% of the Medicare payment rate.

Though non-emergency transport can generate additional revenue, some county ambulance services report they don't have the equipment or personnel needed to provide non-emergency transport in addition to their legally required emergency transport. Dickson County said that it cannot afford to add additional miles from non-emergency transport to its already-ageing ambulances.[176]

Some county ambulance services reported they don't have the equipment or personnel needed to provide non-emergency transport in addition to their legally required emergency transport.

Ambulance services can employ cost-sharing mechanisms.

Other ambulance services may find they can reduce some costs by sharing staff with other services. For example, in Tennessee, each ambulance service is responsible for employing a medical director who creates and maintains the standard of pre-hospital medical care used by the other emergency medical service entities in the area, including fire, hazmat, and police.[177] Although a medical director can cost an ambulance service upwards of $30,000 to $40,000 per year, ambulance services can share a single medical director. Vanderbilt LifeFlight said it provides medical

[172] Interview with Sally Wynn, vice president of strategy and innovation, Luke Wynn, vice president of operations, and Martha Kendall, senior director of NEMT governance, Tennessee Carriers, and Estie Harris, managing principal, HB Strategies, June 20, 2025; and Farooq 2025.
[173] Interview with Sally Wynn, vice president of strategy and innovation, Luke Wynn, vice president of operations, and Martha Kendall, senior director of NEMT governance, Tennessee Carriers, and Estie Harris, managing principal, HB Strategies, June 20, 2025.
[174] Interview with Terry Frank, mayor, and Nathan Sweet, EMS director, Anderson County, June 16, 2025; and interview with TJ Manis, EMS director, Greene County-Greeneville EMS, August 14, 2025.
[175] Tennessee Code Annotated, Section 71-5-165.
[176] Interview with Bob Rial, mayor, and Donny Bear, EMS director, Dickson County, July 30, 2025.
[177] Tennessee Department of Health Rule 1200-12-01-.14(4).

direction for eight services for approximately $10,000 per year through their EMS Center of Excellence.[178]

Ambulance services can receive reimbursement for treatment in place or transport to alternate destinations.

Services may also use the Triage, Navigate, Treat and Transport program (TN-T2) program to receive reimbursements that would traditionally be unavailable. Health insurance—regardless of whether it is Medicare, TennCare, or a private insurer—typically reimburses ambulance services only for transporting a patient to an emergency room.[179] According to Tennessee Department of Health data, from 2021 to 2024, Tennessee ambulance services transported a patient to the hospital on approximately 40% of emergency call responses. The remaining outcomes, like treating an individual at the scene and not transporting (approximately 13% of emergency call responses) or transporting them to an alternate destination (approximately 1% of emergency call responses), like a mental health facility,[180] would be ineligible for reimbursement under the traditional model. This dynamic creates an incentive for ambulance services to transport patients to the emergency room, even if they may not need to go to the hospital. Though this generates money in the short term, unnecessary transports can contribute to longer "wall times"—when ambulances must wait at the hospital for their patient to be admitted to the emergency room—which prevents the ambulance from responding to other emergency calls.[181] To address this issue, the state created a TennCare program—TN-T2—to reimburse ambulance services for treatment in place or transport to an alternate destination of TennCare-enrolled patients. This program was modeled after a federal version of the same program and made permanent by Public Chapter 919, Acts of 2022. In 2025, approximately 51% of licensed Tennessee ambulance services made at least one claim for reimbursement under the TN-T2 program.[182]

Tennessee ambulance services transported a patient to the hospital on approximately 40% of emergency call responses.

At the end of July, after conversations with the Tennessee Ambulance Service Association, TennCare changed rules for reimbursement through the TN-T2 program. Before the changes, to receive reimbursement, ambulance services were required to use a Qualified Health Partner (QHP)—a TennCare-enrolled or TennCare-contracted practitioner who provides services to users of the TN-T2 program. After the changes, ambulance services can be reimbursed through the TN-T2 program for treatment in place without a QHP, which had also been the case when

[178] Interview with Stephan Russ, executive medical director, Vanderbilt LifeFlight, July 11, 2025; and Vanderbilt University Medical Center EMS Center of Excellence "Medical Direction."
[179] See, e.g., Medicare.gov "Ambulance services."
[180] TACIR staff analysis of TNEMSIS emergency response data received in email from Matthew Gibbs, attorney, Litson, PLLC, December 8, 2025.
[181] Shaw et al. 2025.
[182] Interview with Johnny Lai, director, and Vincent Pinkney, deputy director, Managed Care Operations, TennCare, March 25, 2026.

the program was initially created in 2022.[183] TASA previously reported that service providers' biggest problem with the TN-T2 program was the program's requirement that the service use a QHP, so a tweak to the QHP requirement could increase participation in the TN-T2 program.[184]

Ambulance services can use the Rural Health Transformation Program.

To offset recent federal cuts to Medicare and Medicaid,[185] the federal government created the Rural Health Transformation Program (RHTP), a $50 billion fund designed to help states "strengthen rural communities … by improving healthcare access, quality, and outcomes" in those areas. The funding provides $50 billion to states over five fiscal years, with $10 billion available each year from fiscal year 2025-26 to fiscal year 2029-30. Fifty percent of the funds are to be distributed equally among all states whose application for the funds, including a plan for their use, is approved. The remaining 50% is to be allocated by CMS based on rural facility and population score factors, like the size of a state's rural population and the state's area in total square miles, and technical score factors, like access to EMS and the use of federal health programs.[186]

Tennessee submitted its application for RHTP funding in November of 2025. Among several initiatives to improve care in rural areas, Tennessee's application includes a plan called "Last Mile Teams," an initiative designed to "bring integrated health services directly to residents in hard-to-reach areas." The relevant outcome metrics include increasing the number of rural ambulances by 89 ambulances[187] and increasing the number of rural counties with active Community Paramedic Programs—where EMS personnel provide services like patient evaluation, advice, preventative treatment, or referrals in an out-of-hospital setting[188]—by 20 counties.[189]

At the end of 2025, CMS awarded Tennessee $206.8 million for the program's first year to implement the state's outlined initiatives.[190] Whether Tennessee receives the full amount of funding over the five-year period is contingent on passage of several changes to state law recommended by the federal government (e.g., repealing Certificate of Need laws, which require

At the end of 2025, the Centers for Medicare and Medicaid Services awarded Tennessee $206.8 million for the Rural Health Transformation Program's first year to implement the state's outlined initiatives.

[183] Email from Vincent Pinkney, deputy director, Managed Care Operations, TennCare, August 5, 2026.
[184] Interview with Keith Douglas, administrative liaison, Tennessee Ambulance Service Association, May 19, 2026.
[185] Enacted in the One Big Beautiful Bill Act, these cuts include limitations on new or increased taxes used to fund healthcare services and limitations on enrollment eligibility and benefits. One Big Beautiful Bill Act, House Resolution 1, 119th Cong. (2025) (enacted); and Morgan Lewis 2025.
[186] Centers for Medicare and Medicaid Services 2025a.
[187] Tennessee Department of Health 2025b.
[188] Tennessee Department of Health Rule 1200-12-07-.03(1)(d).
[189] Tennessee Department of Health 2025b.
[190] Rural Health Association of Tennessee 2026.

a permit for the establishment or modification of a health care institution, facility, or service at a designated location),[191] and there is no guarantee that more money will be appropriated after the five-year period.[192]

Tennessee has already begun to implement one of these initiatives. In 2026, the University of Tennessee's County Technical Assistance Service reported that a grant program to reimburse rural ambulance services for ambulance vehicle purchases became available.[193] Ambulance procurement issues have persisted at least since 2020,[194] and this program could help.

[191] Tennessee Health Facilities Commission "Certificate of Need"; and Stephenson 2026.
[192] Centers for Medicare and Medicaid Services 2025b.
[193] UT County Technical Assistance Service 2026.
[194] Tennessee Advisory Commission on Intergovernmental Relations 2025.

References

American Ambulance Association, Newton 360, Doverspike Consulting, and The Center for Organizational Research. 2021. "Employee Turnover Study." https://ambulance.org/wp-content/uploads/2021/07/2021-AAA-EMS-Turnover-Study.pdf.

American Red Cross. "CPR Facts and Statistics." Last updated January 2026. https://www.redcross.org/take-a-class/resources/articles/cpr-facts-and-statistics.

Ball, Matthew, Jonathan R. Powell, Christopher B. Gage, Katelynn A. Kapalo, Jordan D. Kurth, Lisa Collard, Michael G. Miller, and Ashish R. Panchal. 2023. "Paramedic Educational Program Attrition Accounts for Significant Loss of Potential EMS Workforce." *JACEP Open*, Volume 4, Issue 2. https://onlinelibrary.wiley.com/doi/full/10.1002/emp2.12917?msockid=37b10a07ec1660292b2a1dbcedbc6190.

Buttorff, Christine, Daniel Crespin, Sara Heins, Petra W. Rasmussen, Rose Kerber, Jonathan Cantor, Hannah O. James, Jenneifer Gildner, Sarah Dalton, and Kelsey Marx. 2025. "Medicare Ground Ambulance Data Collection System (GADCS) Report Appendix, Year 1 – Year 4 Cohort Analysis, Data Reported Through May 15, 2025." *Centers for Medicare and Medicaid Services Ground Ambulance Data Collection System.* https://www.cms.gov/files/document/medicare-ground-ambulance-data-collection-system-gadcs-updated-codebook-year-1-4-cohort-analysis.pdf.

Centers for Medicare and Medicaid Services. 2016. "Medicaid Non-Emergency Medical Transportation Booklet for Providers." https://www.cms.gov/medicare-medicaid-coordination/fraud-prevention/medicaid-integrity-education/downloads/nemt-booklet.pdf.

———. 2021. "Additional Guidance on State Directed Payments in Medicaid Managed Care." https://www.medicaid.gov/Federal-Policy-Guidance/Downloads/smd21001.pdf.

———. 2025a. "Notice of Funding Opportunity, Rural Health Transformation Program." https://files.simpler.grants.gov/opportunities/782f996f-78f8-4742-8b68-d2bf50c87f99/attachments/1f9b7812-12a9-46ab-92cf-bb804c0bf6ac/cms-rht-26-001_final.pdf.

———. 2025b. "Rural Health Transformation (RHT) Program." https://www.medicaid.gov/resources-for-states/rural-health.

———. 2026. "Medicaid Managed Care State Directed Payments and Medicaid Fee-For-Service Targeted Medicaid Practitioner Payments Proposed Rule (CMS-2449-P)." https://www.cms.gov/newsroom/fact-sheets/medicaid-managed-care-state-directed-payments-medicaid-fee-service-targeted-medicaid-practitioner.

East Tennessee State University. "Tennessee Livability Indicators Dashboard." Healthcare Access. Last accessed August 20, 2026. https://storymaps.arcgis.com/collections/1eb802102a4f473ebdd956b26e8f0bba?item=11.

Farooq, Omer. 2025. "Is Non-Emergency Transportation a Good Business?" *EliteMed Financials.* https://elitemedfinancials.com/is-non-emergency-transportation-a-good-business/.

Feinberg, Allie. 2024. "Ambulances in Knoxville Arrived Late 224 Times, and Not at All at Least Once, in October." *Knoxville News Sentinel*, December 5. https://www.knoxnews.com/story/news/local/2024/12/05/ambulances-in-knoxville-arrived-late-224-times-in-october/76593264007/.

Fiscal Review Committee. 2021. "HB 719 – SB1597 Fiscal Note." https://www.capitol.tn.gov/Bills/112/Fiscal/HB0719.pdf.

———. 2025a. "HB201 Fiscal Note." https://www.capitol.tn.gov/Bills/114/Fiscal/HB0201.pdf.

———. 2025b. "SB 1805 – HB 1836 Fiscal Note." https://www.capitol.tn.gov/Bills/114/Fiscal/SB1805.pdf.

Health Management Associates. 2025. "Amber Ground Ambulance Dataset Reflects Complexity and Challenges of the Industry, Highlights the Need to Improve and Continue Cost Data Collection." *HealthManagement.com.* https://www.healthmanagement.com/insights/briefs-reports/amber-ground-ambulance-dataset-reflects-complexity-and-challenges-of-the-industry-highlights-the-need-to-improve-and-continue-cost-data-collection/.

Humbles, Andy. 2023. "A Population Boom in Mt. Juliet, Wilson County Led to an Expansion of This Public Service." *The Tennessean.* June 12. https://www.tennessean.com/story/news/local/wilson/mt-juliet/2023/06/12/three-new-fire-stations-to-open-in-wilson-county-mt-juliet/69872280007/.

Jones, Andrew. 2021. "Strained EMS System Hits AMR with $88,000 in Fines, Forgives over $125,000." *Blount County Daily Times*, October 12. https://www.thedailytimes.com/news/strained-ems-system-hits-amr-with-88-000-in-fines-forgivesover-125-000/article_c581d5d2-1bf5-543f-924f-5e6a5eaf70e3.html.

Medicare.gov. "Ambulance services." Accessed June 2, 2026, https://www.medicare.gov/coverage/ambulance-services.

Mello, Michelle M., Artem A. Trotsyuk, Abdoul Jalil Djiberou Mahamadou, and Danton Char. 2026. "The AI Arms Race in Health Insurance Utilization Review: Promises of Efficiency and Risks of Supercharged Flaws." *Health Affairs.* 45 (January): 5-102. https://www.healthaffairs.org/doi/epdf/10.1377/hlthaff.2025.00897.

Morgan Lewis. 2025. "'One Big Beautiful Bill Act': Key Final Medicaid Changes Explained." https://www.morganlewis.com/pubs/2025/07/one-big-beautiful-bill-act-key-final-medicaid-changes-explained.

Mulcahy, Andrew W., Sara E. Heins, Petra W. Rasmussen, Jonathan H. Cantor, Rose Kerber, Jennifer Gildner, and Sarah Dalton. 2024. "Medicare Ground Ambulance Data Collection System (GADCS) Report, Year 1 and 2 Cohort Analysis." https://www.cms.gov/files/document/medicare-ground-ambulance-data-collection-system-gadcs-report-year-1-and-year-2-cohort-analysis.pdf.

National Conference of State Legislatures. "State Policies Defining EMS as Essential." Last updated June 2025. https://www.ncsl.org/health/state-policies-defining-ems-as-essential.

Nursing Solutions Inc. 2021. "2021 NSI National Health Care Retention & RN Staffing Report." *Nursing Solutions Inc.* https://emergingrnleader.com/wp-content/uploads/2021/04/NSI_National_Health_Care_Retention_Report.pdf.

Office of the Governor. 2025. "Gov. Lee Announces $175 Million in Grant Funds to Strengthen Public Safety Across Tennessee." https://www.tn.gov/governor/news/2025/10/2/gov--lee-announces--175-million-in-grant-funds-to-strengthen-public-safety-across-tennessee.html.

O*Net. "Tennessee Employment Trends." Accessed December 16, 2025. https://www.onetonline.org/link/localwages/29-2043.00?st=TN.

PaymentBasics. 2021. "Ambulance Services Payment System." Revised November 2021. https://www.medpac.gov/wp-content/uploads/2021/11/medpac_payment_basics_21_ambulance_final_sec.pdf.

Powell, Jonathan R., Shea L. van den Bergh, Adrienne Kramer, Christopher B. Gage, Adam Harrell, Deborah T. Akers, and Ashish R. Panchal. 2024. "State-Based Evaluation of the Workforce Pipeline from Paramedic Program Enrollment to Agency Affiliation." *Prehospital Emergency Care.* 29 (June): 115-119. https://www.tandfonline.com/doi/epdf/10.1080/10903127.2024.2371945?needAccess=true.

PWW Advisory Group. 2025a. "Table X – Ground Ambulance Margins, Year 1-2." *What We Learned from the First CMS Ambulance Cost Report.* https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.pwwag.com%2Fsites%2Fdefault%2Ffiles%2FTableX-PWW-GADCS-Webinar.xlsx&wdOrigin=BROWSELINK.

———. 2025b. "Table X – Ground Ambulance Margins, Year 1-4." *What We Learned from the Year 1-4 CMS Ambulance Cost Report.* https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.pwwag.com%2Fsites%2Fdefault%2Ffiles%2FTableX-PWW-GADCS-Webinar.xlsx&wdOrigin=BROWSELINK.

Rural Health Association of Tennessee. 2026. "Rural Health Transformation Program (RHTP) A Summary of Tennessee's Rural Health Transformation Plan." https://www.rhat.org/assets/docs/2026/2026%20TN%20Rural%20Health%20Transformation%20Plan%20v2.pdf.

Rural Health Information Hub. "What is Rural." Last updated March 2026. https://www.ruralhealthinfo.org/topics/what-is-rural#goldsmith.

Shaw, Matthew R., Eric Quinn, Jack Cheng, Sabina Pilipovic, Ali Treichel, Remle P. Crowe, and Jeffrey L. Jarvis. 2025. "'On the Wall': A Descriptive Analysis of Ambulance Patient Offload Times in the United States." *Prehospital Emergency Care.* (July): 1-7. https://www.tandfonline.com/doi/full/10.1080/10903127.2025.2535576.

Stephenson, Cassandra. 2026. "Portion of Federal Rural Health Grant Dollars for TN May Depend on Eliminating Certificate of Need." *Tennessee Lookout*, January 22. https://tennesseelookout.com/2026/01/22/portion-of-federal-rural-health-grant-dollars-for-tn-may-depend-on-eliminating-certificate-of-need/.

TennCare. 2026. "Ground Ambulance Service Provider Cost and Utilization Reporting Guide." https://myersandstauffer.com/provider-resources/tennessee/tenncare/.

Tennessee Advisory Commission on Intergovernmental Relations. 2025. *Overcoming Vehicle Supply Chain Disruptions and Large Cost Increases Involves Various Strategies Implemented by Governments.* https://www.tn.gov/content/dam/tn/tacir/2025publications/2025_RollingStock.pdf.

Tennessee Ambulance Service Association. 2025. "SFY25-26 EMS Essential Equipment Funding Reimbursement." Accessed June 10, 2026. https://tennesseeambulance.com/sfy25-26-ems-essential-equipment-funding-reimbursement/.

———. 2026. "TASA 2026 Reimbursement and Compliance Conference." Accessed August 10, 2026. https://tennesseeambulance.com/event-6743009.

Tennessee Comptroller of the Treasury, Division of Local Government Audit. 2024a. "Annual Comprehensive Financial Report, Anderson County, Tennessee, for the Year Ended June 30, 2024." https://comptroller.tn.gov/content/dam/cot/la/documents/county/2024/FY24AndersonACFR.pdf.

———. 2024b. "Annual Financial Report, Unicoi County, Tennessee, for the Year Ended June 30, 2024." https://comptroller.tn.gov/content/dam/cot/la/documents/county/2024/FY24UnicoiAFR.pdf.

Tennessee Department of Environment and Conservation. "Grants Administration—Materials Management Program." Last updated April 28, 2026. https://www.tn.gov/environment/program-areas/solid-waste/materials-management/grants-administration.html.

———. "Sewer Overflow & Stormwater Reuse Grant (OSG)." Last updated December 23, 2025. https://www.tn.gov/environment/program-areas/wr-water-resources/srfp/srf-home/swig/osg-grant.html.

Tennessee Department of Health. 2023. "Request for Application for Essential Purchases for Licensed Ambulance Services in Tennessee." https://tennesseeambulance.com/wp-content/uploads/2024/05/RFA_EMSEquipment_34307-32724FinalPosting-1.pdf.

———. 2024. "Skills List." https://www.tn.gov/content/dam/tn/health/program-areas/ems-board/documents/Skills-List.pdf.

———. 2025a. "Request for Application for Essential Purchases for Licensed Ambulance Services in Tennessee." https://tennesseeambulance.com/wp-content/uploads/2025/08/Essential-Purchases-for-Licensed-Ambulance-Services-in-TN.pdf.

———. 2025b. "Rural Health Transformation Program Application." https://www.tn.gov/content/dam/tn/health/TN_RHTF_Application_Full_Document.pdf.

———. "Healthcare Resiliency in Tennessee." Accessed June 6, 2026. https://www.tn.gov/health/hrp.html.

Tennessee Emergency Management Agency. "FEMA Public Assistance." Accessed June 6, 2026. https://www.tn.gov/tema/assistance/fema-assistance/fema-public-assistance.html.

———. "Preparedness Grants and Programs." Accessed June 6, 2026. https://www.tn.gov/tema/new-tema/assistance/preparedness-grants-and-programs.html.

Tennessee EMS Board. 2024. "Approved Scope of Practice Skills for Level of Licensure." *Tennessee Ambulance Service Association.* https://tennesseeambulance.com/wp-content/uploads/2024/09/Approved-Scope-of-Practice-Skills-Chart-Version-1-03182020.pdf.

Tennessee Health Facilities Commission. "Certificate of Need." Accessed August 21, 2026. https://www.tn.gov/hfc/certificate-of-need-information.html.

Tennessee Office of Criminal Justice Programs. "Violent Crime Intervention Fund (VCIF) Zip Code Grant and Downtown Public Safety Grants (DPSG) Programs." Accessed June 6, 2025. https://www.tn.gov/finance/office-of-criminal-justice-programs/ocjp/ocjp-grants-manual/redirect-fund-source-chapters/fund-source-chapters/vcif.html.

The College System of Tennessee. 2026. "Early Postsecondary Opportunities." Accessed August 7, 2026. https://www.tbr.edu/academics/early-postsecondary-opportunities.

Unicoi County Emergency Medical Services. "Unicoi County Emergency Medical Services." Accessed June 5, 2026. https://unicoiems.org/.

US Bureau of Labor Statistics. "Occupational Employment and Wage Statistics." Accessed December 16, 2025. https://www.bls.gov/oes/.

University of Tennessee, County Technical Assistance Service. "Required and Optional Services." Accessed June 5, 2026. https://www.ctas.tennessee.edu/eli/required-and-optional-services.

———. 2026. "Tennessee's Rural Health Transformation Program Brings New Opportunities to Rural Counties." https://www.ctas.tennessee.edu/news/tennessees-rural-health-transformation-program-brings-new-opportunities-rural-counties.

———. "State-Aid Highway Program." Accessed June 5, 2026. https://www.ctas.tennessee.edu/eli/state-aid-highway-program.

Vanderbilt University Medical Center EMS Center of Excellence. "Medical Direction." Accessed June 2, 2026. https://www.vumc.org/ems-excellence/medical-direction.

Persons Contacted

Zachary Adams, Assistant Vice Chancellor for Academic Affairs and Workforce Alignment
Tennessee Board of Regents

Marc Alley, Emergency/Fire Management Consultant
University of Tennessee, County Technical Assistance Service

Rogers Anderson, Mayor
Williamson County

Mary Andrews, Director
Weakley County Ambulance Service

Tony Anteau, Regional President
Mid-State Region
Priority Ambulance

Jeff Beaman, Fire Chief
Fire Department
Gallatin

Donny Bear, EMS Director
Dickson County EMS

David Blevins, Director of EMS Education Programs
Roane State Community College

Tim Booher, President
Tennessee Ambulance Service Association

Joel Bowers, Director
Hancock County EMS

Sheila Butt, Mayor
Maury County

Willow Chavez, EMS Chief
Giles County Ambulance Service

Brian Collins, Fire Chief
Fire Department
City of Brentwood

David Connor, Executive Director
Tennessee County Services Association

Hansel Cook, Assistant EMS Director
Office of Emergency Medical Services
Tennessee Department of Health

Mike Creasy, Mayor
Decatur County

Chris Cummins, Fire Chief
Fire Department
Columbia

Kevin Davis, Mayor
Hardin County

Russ Deaton, Executive Vice Chancellor for Policy & Strategy
Tennessee Board of Regents

Melissa Denton, Office Manager
Meigs County Ambulance

Keith Douglas, Administrative Liaison
Tennessee Ambulance Service Association

James Dunn, Counsel
FBT Gibbons

Jody Durham, Deputy Chief of Operations
Fire Department
Oak Ridge

Jim Eley, Deputy Chief of Operations
Fire Department
Clarksville

Kirsten Ert Acuff, City Manager
Lakeside

Brandon Faun, Financial Administrative Assistant
Maury County

Mark Foulks, Fire Chief
Fire Department
Mt. Juliet

Terry Frank, Mayor
Anderson County

Larry Gage, Senior Counsel
Alston and Bird

Matthew Gibbs, Attorney
Litson PLLC

Chris Gobble, Principal Council
Stones River Group

Martin Granum, City Manager
Red Bank

Russell Gupton, EMS Consultant At-Large/ Statewide
Office of Emergency Medical Services
Tennessee Department of Health

Estie Harris, Managing Principal
HB Strategies

Melissa Headley, Assistant Director of Revenue Cycle
Williamson Health

Joey Hensley, Senator
28th District of Tennessee

Darlene Hines, EMD Program/Sales Coordinator
APCO International

E. Wayon Hines, Deputy Administrator of Public Works
Chattanooga

Anthony Holt, Executive Director
Tennessee Association of County Mayors

JP Homik, Counsel
McMahan Winstead & Richardson

Thad Jablonski, Assistant City Manager
Columbia

Burt Johnson, City Manager
Soddy-Daisy

Glenn Johnson, Chief
Fire Department
Franklin

Ricky Keith, Vice Mayor
Pulaski

Jonah Keltner, Mayor
Lewis County

Martha Kendall, Senior Director of NEMT Governance
Tennessee Carriers

Johnny Lai, Director
Managed Care Operations
TennCare

Jason Luallen, Director
Finance Department
McMinn County

Doug Lukonen, Finance Director
Maury County

TJ Manis, EMS Director
Greene County-Greeneville EMS

Tony Massey, City Manager
Columbia

Phil Mazzuca, Chief Executive Officer
Williamson Health

J. Scott Miller, Former City Manager
East Ridge

Freddie Montgomery, Fire Chief
Fire Department
Clarksville

Jobe Moore, Deputy Chief of Logistics
Fire Department
Clarksville

Jeffrey Moseley, Member
Buerger Moseley & Carson PLC

Brian Newberry, EMS Chief and Deputy Director
Wilson County Emergency Management Association

Eric Newman, EMS Chief
Fire Department
City of Mt. Juliet

Britnei Outland, Data Manager for EMS and Trauma
Tennessee Department of Health

Kevin Parton, Senior Director of Public Health
Knox County

Jeff Peach, City Attorney
Town of Murfreesboro

Vincent Pinkney, Deputy Director
Managed Care Operations
TennCare

Brooke Pippenger, Town Consultant, CMFO, Recorder/Treasurer
Lookout Mountain

Joe Pitts, Mayor
Clarksville

Bill Purcell, Counsel
FBT Gibbons

David Quick, Mayor
Dyer County

Terence Ramotar, Director of Government Affairs
Global Medical Response

Bridgett Raper, Communications Strategist
Small Cities Coalition of Hamilton County

Ann R. Reed, Deputy Director of Licensure and Regulation
Tennessee Health Facilities Commission

Ashley Reed, Legislative Chief
TennCare

Jothany Reed, Vice Chancellor for Academic Affairs
Tennessee Board of Regents

Bob Rial, Mayor
Dickson County

Samantha Rummage, Fiscal Chief of Staff
TennCare

Stephan Russ, Executive Medical Director
Vanderbilt LifeFlight

Zane Seals, Chief Financial Officer
TennCare

Caroline Simmons, Counsel
McMahan, Winstead and Richardson

Travis Solomon, Fire Chief
Fire Department
Oak Ridge

Brenda Staffan, Chief Government Affairs and Public Policy Officer
Priority OnDemand

Graham Stowe, Executive
Giles County

Nathan Sweet, EMS Director
Department of Emergency Medical Services
Anderson County

Todd Tilghman, Director of Revenue Cycle
Williamson Health

Caroline Tippens, Director of Licensure and Regulation
Tennessee Health Facilities Commission

Michelle Toro, Assistant City Manager, Chief Financial Officer
Collegedale

Dwight Van de Vate, Chief of Staff
Knox County

Michael Wallace, EMS Chief
Williamson Health

Brandon Ward, Director
Office of Emergency Medical Services
Tennessee Department of Health

Lee Ann West, Audit Manager
Local Government Audit
Tennessee Comptroller of the Treasury

Holt Whitt, Government Relations Advisor
Adams and Reese

John Williams, Associate Vice Chancellor for
Government and Public Relations
Tennessee Board of Regents

David Windrow, Business Development Officer
Nahbolz Construction

Beth Winstead, Partner
McMahan, Winstead and Richardson

Elizabeth Wolf, Director of Managed Care Provider
Relations
TennCare

Luke Wynn, Vice President of Operations
Tennessee Carriers

Sally Wynn, Vice President of Strategy and
Innovation
Tennessee Carriers

Maria Zito, Chief Revenue Officer
Priority Ambulance

Appendix A: Public Chapter 413, Acts of 2025

State of Tennessee

PUBLIC CHAPTER NO. 413

SENATE BILL NO. 160

By Hensley, Jackson, Walley

Substituted for: House Bill No. 83

By Capley, Doggett, Crawford

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 61, relative to ambulance service.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Tennessee advisory commission on intergovernmental relations (TACIR) shall study the economic impact on counties that are required to provide ambulance services, which counties provide services directly or franchise those services, which municipalities provide ambulance services, and whether policy changes may benefit the overall health and delivery of ambulance services in this state.

SECTION 2. TACIR shall further study emergency and non-emergency transport reimbursement including from commercial payors, Medicare, Medicaid, and the way counties and municipalities fund the deficit at which these services operate.

SECTION 3. TACIR may request information and input from other appropriate state and local governmental entities, as necessary, and such entities shall comply with TACIR's request. The study must be conducted from TACIR's existing resources.

SECTION 4. Upon completion of the study required by Sections 1 and 2, TACIR shall report its findings and recommendations, including any proposed legislation, to the chair of the state and local government committee of the senate and the chair of the committee of the house of representatives having jurisdiction over subject matters pertaining to state and local government, and provide a copy of the report to the legislative librarian. The report may be delivered electronically.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 160

PASSED: April 21, 2025

RANDY McNALLY
SPEAKER OF THE SENATE

CAMERON SEXTON, *SPEAKER*
HOUSE OF REPRESENTATIVES

APPROVED this 9th **day of** May **2025**

BILL LEE, *GOVERNOR*

Appendix B: Summary of TennCare Annual Cost and Utilization Report Database

Cost and Utilization Report Data by Year (2021 through 2024)

Category	2021 Total	2022 Total	2023 Total	2024 Total	2021 to 2024 % Change
Gross Transport Revenue - Emergency Transports	$ 727,235,436	$ 828,419,495	$ 1,002,176,608	$ 1,128,991,220	55%
Gross Transport Revenue - Non-Emergency Transports	374,212,575	508,254,688	554,681,914	675,370,834	80%
TOTAL Gross Transport Revenue	$ 1,101,448,011	$ 1,336,674,183	$ 1,556,858,522	$ 1,804,362,053	64%
Net Transport Revenue - Emergency Transports*	$ 258,208,036	$ 321,392,204	$ 374,530,221	$ 440,095,625	70%
Net Transport Revenue - Non-Emergency Transports*	125,774,383	117,924,478	157,919,260	193,705,838	54%
TOTAL Net Transport Revenue*	$ 383,982,419	$ 467,906,737	$ 532,449,482	$ 633,801,462	65%
Total Ground Ambulance Completed Transports - EMERGENCY	564,600	718,750	733,598	778,299	38%
Total Ground Ambulance Completed Transports - NON-EMERGENCY	435,188	439,266	448,089	472,890	9%
Total Ground Ambulance Transports During the Reporting Year	1,075,705	1,158,016	1,181,687	1,251,189	16%
Number of Hydraulic Stretchers	851	1,393	1,487	1,626	91%
Number of Manual Stretchers	344	292	178	205	-40%
Ratio of Hydraulic Stretchers to Manual Stretchers	2.5:1	4.8:1	8.4:1	7.9:1	
Number of Vehicles	1,254	1,737	1,810	1,894	51%

* Net transport revenue = Gross Transport Revenue - Bad Debt - Contractual Allowances

Note: Not all ambulance services reported data for every year analyzed.

Source: TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

Percent of Gross Revenue Collected by Year—All Services

Category	2021	2022	2023	2024
Gross Transport Revenue - Emergency Transports	$ 727,235,436	$ 828,419,495	$ 1,002,176,608	$ 1,128,991,220
Gross Transport Revenue - Non-Emergency Transports	374,212,575	508,254,688	554,681,914	675,370,834
TOTAL Gross Transport Revenue	$ 1,101,448,011	$ 1,336,674,183	$ 1,556,858,522	$ 1,804,362,053
Net Transport Revenue - Emergency Transports*	$ 258,208,036	$ 321,392,204	$ 374,530,221	$ 440,095,625
Net Transport Revenue - Non-Emergency Transports*	125,774,383	117,924,478	157,919,260	193,705,838
TOTAL Net Transport Revenue*	$ 383,982,419	$ 467,906,737	$ 532,449,482	$ 633,801,462
% of Emergency Gross Transport Collected**	36%	39%	37%	39%
% of Non-Emergency Gross Transport Collected**	34%	23%	28%	29%
% of Gross Transport Revenue Collected**	35%	35%	34%	35%

* Net transport revenue = Gross Transport Revenue - Bad Debt - Contractual Allowances

** Percent of Gross Transport Collected = Net Transport Revenue/Gross Transport Revenue

Note: Not all ambulance services reported data for every year analyzed.

Source: TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

Percent of Gross Revenue Collected by Year—Government Funded Services

Category	2021	2022	2023	2024
Gross Transport Revenue - Emergency Transports	$407,323,982	$465,950,833	$508,662,994	$531,735,170
Gross Transport Revenue - Non-Emergency Transports	71,412,746	56,402,014	65,839,425	58,005,969
TOTAL Gross Transport Revenue	$478,736,728	$522,352,846	$574,502,418	$589,741,139
Net Transport Revenue - Emergency Transports*	$164,612,743	$206,400,712	$230,592,522	$261,752,941
Net Transport Revenue - Non-Emergency Transports*	35,264,595	26,137,960	32,822,363	32,903,566
TOTAL Net Transport Revenue*	$199,877,338	$235,204,633	$263,414,885	$293,422,320
% of Emergency Gross Transport Collected**	40%	44%	45%	49%
% of Non-Emergency Gross Transport Collected**	49%	46%	50%	57%
% of Gross Transport Revenue Collected**	42%	45%	46%	50%

* Net transport revenue = Gross Transport Revenue - Bad Debt - Contractual Allowances

** Percent of Gross Transport Collected = Net Transport Revenue/Gross Transport Revenue

Note: Not all ambulance services reported data for every year analyzed.

Source: TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

2024 Total Bad Debt and Makeup of Bad Debt

	Medicaid/ TennCare	Medicare	Private Insurance	Self-Pay	All Other Payor Sources
Bad Debt	$ 5,674,699	$ 8,531,672	$ 34,317,500	$ 94,365,243	$ 13,705,363
% of Total	4%	5%	22%	60%	9%

Source: TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

2024 Government-Funded Service Bad Debt and Makeup of Bad Debt

	Medicaid/ TennCare	Medicare	Private Insurance	Self-Pay	All Other Payor Sources
Bad Debt	$ 525,484	$ 1,121,728	$ 3,797,965	$ 59,575,141	$ 11,463,819
% of Total	1%	1%	5%	78%	15%

Source: TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

2024 Tennessee Ambulance Service Emergency Transport Payor Mix

	Medicaid/ TennCare	Medicare	Private Insurance	Self-Pay	All Other Payor Sources
Revenue before deductions for bad debt and contractual allowances	$ 207,545,709	$ 475,037,120	$ 242,745,351	$ 143,268,254	$ 60,394,785
Deduction: Contractual Allowances	146,951,689	297,481,250	54,916,746	9,741,649	23,209,785
Deduction: Bad Debt	5,674,699	8,531,672	34,317,500	94,365,243	13,705,363
Net Revenue	$ 54,919,322	$ 169,024,199	$ 153,511,105	$ 39,161,362	$ 23,479,636
Net Revenue Payor Mix	12%	38%	35%	9%	5%
Gross Revenue Payor Mix	18%	42%	22%	13%	5%

Source: TACIR staff analysis of ACUR data received in email from Samantha Rummage, fiscal chief of staff, TennCare, July 2, 2026.

Appendix C: Summary of Responses to TACIR Survey of County Officials

Commission staff distributed a survey to county executives and finance directors. Ninety-five counties were surveyed; 51 counties submitted a response, and the number of counties that indicated an answer to the question is included with the response counts. A summary of the questions and responses includes:

Introductory Questions

How does your county provide ambulance services?

- Directly: 35 counties
- Contract with private provider(s): 13 counties
- Interlocal agreement: 4 counties

Was this agreement the same in fiscal year 2023-24?

- Yes: 13 counties
- No: 2 counties
  - The 2 counties that said no identified price increases.

Questions for Counties that Provided Services Indirectly

Did your county change ambulance services considering Tennessee's 2021 requirement that counties provide ambulance services?

- Yes: 0 counties
- No: 15 counties

What funding, if any, did the county provide to the ambulance service(s) in the following fiscal years?

- Averages were calculated using only those counties that reported expenditures.
- Average (responses in parentheses):
  - 2019-20: $386,283 (10); responses ranged from $60,000 to $1,100,000
  - 2020-21: $487,860 (9); responses ranged from $60,000 to $1,700,000
  - 2021-22: $339,406 (8); responses ranged from $71,000 to $871,000
  - 2022-23: $386,412 (10); responses ranged from $71,000 to $871,000
  - 2023-24: $569,920 (12); responses ranged from $180,000 to $2,000,000
- Median (responses in parentheses):
  - 2019-20: $265,420 (10)
  - 2020-21: $282,992 (9)
  - 2021-22: $269,492 (8)
  - 2022-23: $298,700 (10)

- 2023-24: $357,635 (12)

Where did the county's funding (if any) of ambulance services come from in each of the above fiscal years?

- Most common among 14 responses (counties may be included in multiple groups):
  - General fund: (9 counties)
  - Taxes/Property Taxes: (2 counties)

Questions for Counties that Provided Services Directly

Did you also provide ambulance services directly in 2023-24?

- Yes: 19 counties
- No: 1 county
  - County indicated the county does not operate a county owned ambulance service.

Did your county change ambulance services considering Tennessee's 2021 requirement that counties provide ambulance services?

- Yes: 1 county
- No: 19 counties
  - No detail provided.

What was the county ambulance service's operating revenue for the following fiscal years?

- Averages were calculated using only those counties that reported expenditures.
- Average (responses in parentheses):
  - 2019-20: $2,775,472 (18); responses ranged from $1 to $7,412,998
  - 2020-21: $2,906,827 (18); responses ranged from $324,481 to $7,431,048
  - 2021-22: $2,998,065 (18); responses ranged from $316,161 to $7,914,927
  - 2022-23: $3,123,301 (19); responses ranged from $4,729 to $9,313,375
  - 2023-24: $3,203,846 (19); responses ranged from $375,527 to $9,845,275
- Median (responses in parentheses):
  - 2019-20: $2,420,948 (18)
  - 2020-21: $2,804,728 (18)
  - 2021-22: $2,568,492 (18)
  - 2022-23: $2,426,116 (19)
  - 2023-24: $2,503,214 (19)

What percentage of the operating revenue came from the following sources (i.e., what was the payor mix) in fiscal year 2023-24?

- Average (20 responses):
  - Commercial payors: 18%

- Medicare: 49%
- TennCare/Medicaid: 13%
- Direct Pay: 10%
- Other: 11%

What was your ambulance service's operating expenses for the following fiscal years:

- Averages were calculated using only those counties that reported expenditures.
- Average (responses in parentheses):
  - 2019-20: $4,158,507 (18); responses ranged from $1 to $12,545,600
  - 2020-21: $4,073,700 (18); responses ranged from $489,237 to $12,729,177
  - 2021-22: $4,527,281 (18); responses ranged from $440,969 to $13,399,982
  - 2022-23: $5,225,397(18); responses ranged from $480,841 to $16,866,333
  - 2023-24: $5,349,706 (20); responses ranged from $100 to $22,216,048
- Median (responses in parentheses):
  - 2019-20: $3,221,019 (18)
  - 2020-21: $3,187,852 (18)
  - 2021-22: $3,735,826 (18)
  - 2022-23: $3,885,703 (18)
  - 2023-24: $4,627,081 (20)

Were these expenditures typical?

- Yes: 18 counties
- No: 2 counties
- Counties said capital expenses like ambulance purchases were typical and one-time COVID funds were atypical.

How did the county fund any operating deficit, if there was one, for the above fiscal years?

- Most common response was general fund and property taxes.

What was the county ambulance service's 911 call volume for the following fiscal years?

- Averages were calculated using only those counties that reported expenditures.
- Average (responses in parentheses):
  - 2019-20: 9,265 (17); responses ranged from 1,011 to 31,692
  - 2020-21: 9,714 (17); responses ranged from 1,075 to 34,202
  - 2021-22: 9,506 (18); responses ranged from 1,156 to 32,309
  - 2022-23: 8,990 (19); responses ranged from 47 to 32,129
  - 2023-24: 9,009 (19); responses ranged from 871 to 34,935

- Median (responses in parentheses):
  - 2019-20: 7,141 (17)
  - 2020-21: 8,007 (17)
  - 2021-22: 7,337 (18)
  - 2022-23: 7,819 (19)
  - 2023-24: 7,471 (19)

In the following fiscal years, how many of the 911 calls resulted in transport of the patient to an ER/hospital for which the ambulance service was reimbursed?

- Between 1 and 2 counties reported 0 calls in each year and were not included in the average or median below.
- Average (responses in parentheses):
  - 2019-20: 5,182 (16); responses ranged from 1 to 13,560
  - 2020-21: 5,529 (16); responses ranged from 65 to 13,508
  - 2021-22: 5,918 (18); responses ranged from 64 to 13,973
  - 2022-23: 5,612 (19); responses ranged from 36 to 15,233
  - 2023-24: 5,582 (19); responses ranged from 69 to 15,295
- Median (responses in parentheses):
  - 2019-20: 3,037 (16)
  - 2020-21: 3,048 (16)
  - 2021-22: 4,871 (18)
  - 2022-23: 4,794 (19)
  - 2023-24: 4,566 (19)

Final Questions

Please provide an example of intergovernmental cooperation in providing service to your county (counties may be included in multiple groups)

- 8 counties said they work with municipal or volunteer fire departments, often in first-responder roles or shared emergency response. Some examples include assisting EMS on scenes, first responder programs, and coordinated training.
- 4 counties said they coordinate with sheriff's departments, police, rescue squads, or similar agencies during emergency responses.
- 6 counties said they have formal MOUs or interlocal agreements with cities, fire or police departments, hospitals, or adjacent counties. These may cover first response, EMS territory restrictions, or shared service delivery.
- 5 counties said they have joint ventures, hospital-provided EMS, or collaborative agreements with local or regional healthcare institutions.

- 6 counties said they have structured first-responder programs provided by fire departments, rescue squads, or EMS training for municipal agencies.
- 1 county said they have an interlocal agreement with neighboring counties for ambulance service coordination.
- 5 counties said there is no intergovernmental cooperation, often emphasizing lack of municipal financial support.
- 4 counties said they have funding arrangements, such as annual contributions or cost-sharing with hospitals.

What policy changes (federal, state, or local) may improve ambulance services in Tennessee? (counties may be included in multiple groups)

- 17 counties want to increase Medicare or Medicaid/TennCare reimbursement rates.
- 8 counties want more state or federal EMS funding (grants, subsidies, rural support).
- 3 counties want to improve the EMS workforce pipeline (training affordability, certification reform).
- 4 counties want municipalities to contribute funding to county EMS.
- 2 counties want reimbursements for "treat-no-transport" calls.

Appendix D: Summary of Responses to TACIR Survey of City Officials

Commission staff asked the Tennessee Municipal League to distribute a survey to its members. Each question indicates how many of the 144 responses are included in the summary. A summary of the responses includes:

Questions for All Cities

Did your city operate an ambulance service directly in fiscal year 2023-24? (i.e., was your ambulance service city-run?)

- Yes: 5 cities
- No: 100 cities

What financial supplement (if any) did the city provide to the county for ambulance services in fiscal year 2023-24?

- No supplement or $0 reported: 38 cities
- Reported a dollar amount: 5 cities
  - Average: $83,500; responses ranged from $18,413 to $169,456
  - Median: $66,468
- Described an arrangement without giving a dollar amount: 9 cities

What financial supplement (if any) did the city provide directly to the ambulance service(s) in fiscal year 2023-24? (Do not include financial supplements provided to the county)

- No supplement or $0 reported: 36 cities
- Reported a dollar amount: 5 cities
  - Average: $372,491; responses ranged from $6,000 to $1,500,000
  - Median: $150,000
- Described an arrangement without giving a dollar amount: 6 cities

How did your city fund the financial supplement (if any) in fiscal year 2023-24?

- No supplement was provided, or the question did not apply: 19 cities
- General fund, city budget, or appropriation: 10 cities
- Local taxes: 2 cities
- Fees paid by the residents who use the service: 2 cities
- Cost sharing based on population: 1 city
- Funded through the county: 1 city

What non-financial support did the city provide to the service(s) in fiscal year 2023-24? (e.g., building space, equipment loans, etc.)

- Most common among 56 responses (cities may be included in multiple groups):

  - Building space for ambulances and crews at city fire stations, usually rent-free or under a nominal lease (28 cities)
  - Fire department first response or on-scene medical care before the transporting ambulance arrives (13 cities)
  - No non-financial support provided (12 cities)
  - Exemption from city taxes or charges on the facilities the service occupies (2 cities)
  - Dispatching at no charge (1 city)
  - Medical supplies (1 city)

Do you have a city fire department?

- Yes: 77 cities
- No: 8 cities

Does your city fire department respond to the same incidents as county ambulance services?

- Yes: 59 cities
- No: 15 cities

In addition to ladder trucks, what other vehicles does your fire department utilize to support ambulance services in your city?

- Most common among 65 responses (cities may be included in multiple groups):
  - Fire engines and pumpers (33 cities)
  - Rescue or squad trucks (20 cities)
  - Dedicated quick-response or medical response units, such as fast cars and medic trucks assigned to medical calls (13 cities)
  - Specialty apparatus, including brush trucks, boats, UTVs, tankers, and technical rescue units (12 cities)
  - Command vehicles and SUVs (9 cities)
  - Apparatus described generally, without naming vehicle types (3 cities)
  - No other vehicles used (4 cities)

What is your city fire department's baseline level of licensure for employees?

- EMT: 16 cities
- AEMT: 13 cities
- Paramedic: 2 cities
- Other: 38 cities
  - Responses included Emergency Medical Responder (EMR) certification (16 cities), no baseline licensure requirement (8 cities), volunteer departments requiring only firefighter training (7 cities), departments reporting a mix of levels or staffing above their baseline (4 cities), and no level given (3 cities).

What other ways did the city support ambulance services in fiscal year 2023-24? (cities may be included in multiple groups)

- 25 cities said they gave fire department involvement in EMS support, most commonly as first-responder units arriving before county ambulances, providing initial medical care, AED use, lift assists, staffing medical calls, or supplying supplemental personnel and equipment.
- 4 cities said they coordinated with police departments, including police responding to medical calls, assisting EMS on scene, providing AED-equipped patrol units, or helping manage air-medical landing zones.
- 6 cities said they had formal arrangements or interlocal practices with county EMS or private ambulance providers, such as first-response contracts, mutual-aid agreements, shared dispatching responsibilities, or providing housing for an ambulance unit.
- 3 cities said they have collaborative training or certification efforts, including EMR courses, paramedic training for firefighters, shared QA/QI meetings, protocol development, and joint disaster planning with EMS agencies.
- 5 cities said they give patient transport or evacuation assistance, such as fire departments providing drivers, completing lift assists, obtaining vitals before EMS arrives, or supporting lock-ins and air-evac operations.
- 4 cities said they coordinate with medical aircraft, including LifeFlight landing zone preparation or similar aviation support.
- 8 cities said that their primary role was financial, with residents supporting ambulance services through county property taxes, wheel-tax increases, or insurance reimbursements rather than direct municipal involvement.
- 8 cities said they had no substantive intergovernmental cooperation, noting either an absence of municipal responsibilities or that EMS services are fully handled by county or private providers.

What policy changes would improve the health of Tennesseans or improve the delivery of ambulance services in Tennessee? (cities may be included in multiple groups)

- 13 cities said they did not support requiring municipalities to fund county ambulance service, saying city residents already pay for it through county property taxes.
- 11 cities want more ambulances, staffing, or stations to shorten response times, particularly in rural areas.
- 9 cities want more state or federal funding, grants, or subsidies for ambulance service.
- 7 cities want workforce and training changes, including affordable certification, in-house and online course options, and better pay.
- 5 cities want to allow tiered or non-transport response by fire departments, including independent licensure for non-transport units.
- 5 cities want higher reimbursement rates or authority to bill for services, such as "treat-no-transport" calls.
- 4 cities want stronger state oversight or more uniform service standards for ambulance providers.
- 2 cities want to expand TennCare/Medicaid eligibility.

- 7 cities said no changes or said they could not suggest one.
- 1 city said they want the state to reimburse for emergency responses on interstate highways.
- 1 city said they want funding for emergency communications districts.
- 1 city said they want mailing addresses corrected to avoid delaying dispatch.
- 1 city wants to reduce calls to 911 for non-emergency situations.

Questions for Cities that Provide Ambulance Services

What was the city ambulance service's operating revenue for the following fiscal years?

- Reported by 1 city:
  - 2019-20: $962,241
  - 2020-21: $1,029,664
  - 2021-22: $1,118,983
  - 2022-23: $1,349,997
  - 2023-24: $1,221,372

What percentage of the operating revenue came from the following sources (i.e., what was the payor mix) in fiscal year 2023-24?

- Reported by 1 city:
  - Commercial payors: 20%
  - Medicare: 50%
  - TennCare/Medicaid: 17%
  - Direct Pay: 12%
  - Other: 1%

What was your ambulance service's operating expenses for the following fiscal years?

- Reported by 1 city:
  - 2019-20: $212,738
  - 2020-21: $247,162
  - 2021-22: $260,482
  - 2022-23: $290,097
  - 2023-24: $308,234

Were these expenditures typical?

- The 1 reporting city said these expenditures were typical.

How did the city fund any operating deficit, if there was one, for the above fiscal years?

- The 1 reporting city said the deficit was funded from the general fund.

What was the city ambulance service's 911 call volume for the following fiscal years?

- Reported by 1 city:
  - 2019-20: 4,444
  - 2020-21: 4,335
  - 2021-22: 4,726
  - 2022-23: 4,937
  - 2023-24: 4,666

How many of the 911 calls from the following fiscal years resulted in transport of the patient to an ER/hospital for which the ambulance service was reimbursed?

- Reported by 1 city:
  - 2019-20: 3,268
  - 2020-21: 3,231
  - 2021-22: 3,551
  - 2022-23: 3,838
  - 2023-24: 3,642