The Tennessee Advisory Commission on Intergovernmental Relations

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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard
Executive Director

DATE: 16 September 2026

SUBJECT: Public Chapter 413, Acts of 2025 (Ambulance Services)—Final Report for Approval

The attached commission report is submitted for your approval. It was prepared in response to Public Chapter 413, Acts of 2025, which directed the commission to 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. Additionally, the Act directed the commission to study emergency and non-emergency transport reimbursement including from commercial payers, Medicare, Medicaid, and the way counties and municipalities fund the deficit at which these services operate.

Since the draft report was presented at the commission's June 2026 meeting, staff has added appendix B, summarizing data from the TennCare Annual Cost and Utilization Report, and appendixes C and D, summarizing the questions and responses to commission staff surveys of county and city officials. Staff also added details about the Rural Health Transformation Program, updates to the TN-T2 program, and the latest update from TennCare on potential federal rules preventing TennCare reimbursement rate increases. The recommendations remain unchanged:

- Recently, Maury County sought additional funding from the city of Columbia to alleviate the cost to the county of required ambulance services. Pushback from Columbia sparked the introduction of Senate Bill 160 by Senator Hensley and House Bill 83 by Representative Capley, which 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. 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 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 General Assembly has funded ambulance equipment grants over some of the past few years, but the grants are not recurring. There are recurring grants for other state-required county services like emergency management, law enforcement, roads and bridges, solid waste, and storm water. Changing the equipment grant from non-recurring to recurring could help ambulance services better plan for needed equipment purchases. For these reasons, **the commission recommends the General Assembly make funding for the equipment grant recurring.**
- In addition to programs offered through dual enrollment and training opportunities at the state's colleges, there are also 30 training centers operated by ambulance services, which provide training for emergency medical technicians and advanced emergency medical technicians. State law restricts the number of training centers to 30, but representatives of ambulance services say more training centers would help address staffing issues, and that the statutory cap should be removed or increased.
- Alternatives to the original bill that could help address the rising cost of ambulance services include contracting with third-party billing companies to increase collections, expanding non-emergency transport, sharing medical directors, increasing reimbursements by filing claims with the TN-T2 program, and using the Rural Health Transformation Program. Although these alternatives 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.**