From Patchwork to Promise: Why Designating EMS as an Essential Service Matters Now; and What Providers Must Do Next

By Dr. Haley L. Schlechta, MPA, DPA

Executive Summary

Across the country, momentum is building to formally recognize Emergency Medical Services (EMS) as an essential public service, moving EMS from a fragmented patchwork of providers and unstable funding sources to a core, accountable function of local and state government. As of mid-2025, at least 21 states and the District of Columbia have taken steps to codify EMS as essential, reflecting a growing acknowledgment that communities already depend on EMS as indispensable public infrastructure.

PCG Insight: Designation alone does not fix EMS, but failing to designate it perpetuates a system in structural decline. Essential service designation creates clear expectations for coverage, standards, and accountability that must be matched with funding authority, workforce strategies, and deliberate system governance. PCG's advisory experience shows that the most successful jurisdictions treat "essential" as a catalyst for system redesign: aligning the true cost of readiness with sustainable revenue, modernizing workforce pipelines, and clearly defining service obligations across state, county, and provider levels. Financial realities make the choice unavoidable; EMS cannot be sustained through transport-based reimbursement alone if 24/7 readiness is the expectation. Jurisdictions that act decisively to operationalize essential service designation will stabilize EMS access, protect public safety, and preserve public trust; those that do not will continue to manage preventable crises through service gaps, workforce attrition, and escalating risk.

What does this mean for providers:

- Prepare for formalized coverage obligations and stronger performance oversight.
- Build a true cost-of-readiness model and align it to predictable revenue (levies, grants, payer reforms).
- Elevate workforce sustainability; compensation, training, and regional staffing; to a strategic priority.
- Improve financial transparency and data reporting to strengthen public trust and funding cases.

Bottom line: Codifying EMS as essential is a critical step toward equity and sustainability, particularly in rural areas. But to deliver on the promise, states, counties, and providers must pair recognition with realistic standards, durable funding tools, and accountable governance.

Why EMS as an Essential Service Matters; Right Now.

Historically, EMS developed outside the traditional public safety framework, often emerging from funeral homes, volunteer organizations, and hospitals. Unlike police and fire, established as core municipal services, EMS was never universally recognized as a government's responsibility. This origin story left EMS with fragmented funding, inconsistent governance, and variable accountability.

The urgency today is structural, not merely symbolic. Workforce stressors such as declining volunteerism, burnout, and turnover are converging with rising clinical expectations and increasing call complexity, while reimbursement continues to lag true costs. At the same time,

public accountability expectations are rising as communities demand consistent coverage and transparency comparable to other public safety services.

Policy and Funding Landscape

As of mid 2025, states are codifying EMS as an essential public service in diverse ways, reflecting differences in governance structures, funding authority, and workforce needs. Common statutory approaches include mandating EMS coverage at the county or municipal level; defining service areas, licensing, and coordination requirements; enabling local funding mechanisms; and formally recognizing EMS as integral to public health and safety alongside police and fire services. In 2025, states are codifying EMS as an essential public service in diverse ways, reflecting differences in governance structures, funding authority, and workforce needs. Common statutory approaches include mandating EMS coverage at the county or municipal level; defining service areas, licensing, and coordination requirements; enabling local funding mechanisms; and formally recognizing EMS as integral to public health and safety alongside police and fire services.

State examples illustrate how essential service designation translates into practical policy outcomes:

Iowa

In 2021, Iowa enacted SF 615 and codified Iowa Code §357F, authorizing counties to declare EMS as an essential service and levy taxes to fund operations. This framework enables counties to impose either a property tax or an income surtax dedicated to EMS, providing a stable local funding source and clarifying county responsibility for service continuity.

New York

New York's 2024 legislation (SB 4020) formally designates EMS as an essential service, mandates statewide coordination, and strengthens training and credentialing requirements. The law empowers municipalities to ensure EMS coverage while advancing workforce standards and system accountability across the state.

Virginia

Virginia recognizes EMS agencies as integral components of public safety through Va. Code §12531. While enacted earlier than most contemporary essential service laws, this statute formalizes EMS within local emergency response frameworks and reinforces the role of EMS agencies in coordinating public safety planning. While enacted earlier than most contemporary essential service laws, this statute formalizes EMS within local emergency response frameworks and reinforces the role of EMS agencies in coordinated public safety planning.

Maine

Maine's HB 1474 (2022) equates EMS with fire and police services for purposes of funding eligibility. By explicitly positioning EMS within public safety funding frameworks, the law strengthens EMS agencies' access to public funding streams and reinforces parity with other essential emergency services.

South Carolina

South Carolina's HB 4601 (2022) requires each county to have at least one licensed ambulance service. This policy establishes a minimum statewide coverage floor, ensuring that no county lacks access to EMS while reinforcing county-level accountability for service availability. level accountability for service availability.

"Essential Services in South Carolina was applied in with a very specific plan; to begin a dialogue with our legislature about the importance of EMS and the value we provide. While our bill did not

include funding structures, it did serve as an easy win politically and a springboard to move into more strategic EMS economics discussions. This legislation was the front half of the book end legislative plan that led to provider assessment, ASPP, Medicaid rate increases, and will culminate in statewide rate setting improvements. Simply put, once we declared EMS as essential in a bipartisan way, the logical next questions was "who will pay for this?' which led to the rise of our additional advocacy around better funding and CP/MIH expansion."

– Henry Lewis, MHA, NRP, SC CEM
Executive Director, South Carolina EMS Association (SCEMSA)

Utah

Utah enacted SB 209 in 2025, declaring 911 ambulance services an essential service while simultaneously establishing EMS training centers. This dual focus links essential designation directly to workforce development, supporting long-term system sustainability and capacity building. term system sustainability and capacity building.

PCG Insight: Across these examples, essential service designation is most effective when it is paired with clear funding authority, defined governance responsibility, and deliberate workforce investment. States that treat designation as a foundation for system design rather than a symbolic classification are better positioned to stabilize EMS access and performance over time. Early lessons from PCG's observations show that designation prompts governance clarity, funding authority is decisive to sustainability, data maturity strengthens funding cases, and workforce strategy is the critical pivot for success, particularly in rural areas.

Financial Impact

Essential designation does not equate to automatic funding. Medicare and Medicaid reimbursements often trail actual service costs, making it imperative for EMS agencies to stabilize the full cost of readiness and align it with diversified, predictable revenue sources.

Who Pays for Readiness, Not Just Who Responds

Designating EMS as an essential service has significant and measurable financial implications for states, counties, and providers. While the designation itself does not create funding, it fundamentally shifts the financial question from "How does EMS survive?" to "How does government ensure continuous readiness?"

The Cost of EMS Readiness

EMS is a readiness-based system, not a volume-based business. Agencies must staff, equip, and maintain response capability 24/7 regardless of call volume. Recent national data from the CMS-commissioned Ground Ambulance Data Collection System (GADCS), analyzed by RAND, provides the clearest picture to date of this cost structure:

- Average cost per ambulance transport: ~$2,600, $2,700
- Average reimbursement per transport (all payers): ~$1,100, $1,200
- Average per-transport operating loss: ~$1,400, $1,600
- Salaries and benefits: >80% of total EMS operating costs
- Standby/readiness costs: Persist even when no transport occurs

This means that every transport typically generates a net loss, and non-transport responses, now a growing share of EMS activity, often generate no reimbursement at all.

Medicare and Medicaid Underpayment as a Structural Driver

Federal and state reimbursement policy remains a primary contributor to EMS financial instability. EMS is still reimbursed largely as a transportation benefit, despite delivering increasingly sophisticated clinical care on scene.

- Medicaid base rates for emergency ALS responses average less than 10% of actual cost in many states.
- In some states, Medicaid reimbursement covers under 5% of the true cost of service delivery.
- The resulting shortfall is shifted to local taxpayers, cross-subsidized by commercial payers, or absorbed by agencies until closure occurs.

Essential service designation does not fix this mismatch, but it legitimizes local and state subsidies as a necessary public investment, rather than an optional bailout.

Fiscal Impact on Local Governments

When paired with funding authority, essential designation enables governments to replace unstable fee-for-service revenue with predictable public financing. Iowa's experience under SF 615 is illustrative:

- Counties that passed EMS levies created dedicated revenue streams insulated from call volume fluctuations.
- Voter-approved property taxes or income surtaxes spread EMS costs broadly, rather than concentrating on patients at the point of crisis.
- Counties gained clearer fiscal responsibility for system design, rather than relying on fragile volunteer or hospital-subsidized models.

Importantly, jurisdictions that failed to pair designation with funding authority saw no material financial stabilization, reinforcing that essential status without revenue is functionally symbolic.

Cost Avoidance and System-Level Return on Investment

While EMS funding is often framed as a cost, growing evidence suggests that stable EMS systems reduce downstream public expenditures:

- Faster response times reduce morbidity and mortality, lowering long-term healthcare and disability costs.
- Community paramedicine and on-scene treatment programs reduce avoidable emergency department utilization.
- Reliable EMS access supports hospital viability in rural areas by preventing service closures tied to transport delays.

Rural areas are particularly sensitive: more than 4.5 million Americans live in "ambulance deserts," where response times exceed 25 minutes. These gaps correlate with higher mortality and increased healthcare system strain.

Workforce Investment as a Financial Imperative

Turnover among EMTs and paramedics ranges from 20 - 30% annually, imposing substantial recruitment, onboarding, and overtime costs on already strained agencies. Low wages relative to comparable healthcare roles accelerate attrition, particularly in rural and volunteer-dependent systems.

Essential service designation strengthens the fiscal case for:

- Wage stabilization and benefits parity
- Funded training pipelines and certification programs
- Regional staffing models that reduce duplication and overtime

Without these investments, agencies face a negative financial spiral: vacancies increase overtime costs, burnout accelerates turnover, and service reliability declines.

Net Financial Implication

In aggregate, essential service designation reframes EMS financing from reactive reimbursement to proactive public investment. Jurisdictions that align designation with funding authority, workforce investment, and accountability mechanisms are better positioned to:

- Stabilize annual operating budgets
- Reduce reliance on unsustainable billing models
- Avoid service closures and coverage gaps
- Improve transparency and taxpayer confidence

Conversely, designation without fiscal tools risks formalizing expectations that systems lack the resources to meet, ultimately increasing financial and political risk.

What EMS Providers, Local Governments, and State Leaders Should Do Now

Designation of EMS as an essential service fundamentally changes expectations. The following recommendations focus on operationalizing that designation, moving from statutory recognition to measurable system stability and performance.

1. Define and Formalize Coverage Obligations

Essential service designation should translate into explicit service expectations, not assumed ones.

- Clearly define service area boundaries, minimum unit availability, response time standards, and backup coverage requirements.
- Establish mechanisms for addressing service failures, including escalation protocols, mutual aid requirements, and contingency planning.
- Align EMS expectations with those applied to other essential services (police and fire), recognizing that EMS coverage gaps have direct clinical consequences.

Why it matters: Without clear obligations, essential designation can create legal and political risk by raising public expectations without specifying what "essential" actually means in practice.

2. Develop and Institutionalize a Cost-of-Readiness Model

EMS agencies must shift from transport-based budgeting to readiness-based financial planning.

- Quantify the full cost of maintaining 24/7 response capability, including staffing, benefits, training, facilities, fleet, equipment, and administrative support.
- Distinguish between fixed readiness costs and variable response costs to support transparent funding discussions.
- Use standardized metrics (cost per staffed unit hour, cost per response, cost per capita) to support comparability across jurisdictions.
- Socialize this model with elected officials, budget offices, and the public to reframe EMS funding as infrastructure investment rather than user-fee recovery.

Why it matters: Essential services are funded to be ready, not to break even on individual transactions. EMS must be articulated in the same way.

3. Align Funding Authority with Responsibility

Designation without funding authority creates unfunded mandates and accelerates system failure.

- Ensure counties or municipalities designated as responsible for EMS have access to durable revenue mechanisms (property tax levies, income surtaxes, special districts, or dedicated appropriations).
- Reduce reliance on unstable funding sources such as grants, donations, or cross-subsidization from hospitals.
- Where possible, pursue regional funding models that reflect shared service delivery and

reduce duplication.

Why it matters: Jurisdictions that pair essential designation with dedicated funding authority demonstrate greater fiscal stability and service continuity than those that rely on ad hoc solutions.

4. Elevate Workforce Sustainability to a Strategic Priority

Workforce challenges are now the primary limiting factor in EMS system performance.

- Conduct wage and benefits benchmarking against comparable healthcare and public safety roles to inform compensation strategy.
- Invest in training pipelines, including paid education, tuition reimbursement, and partnerships with community colleges and universities.
- Expand regional staffing and deployment models to reduce overtime dependency and improve coverage resilience.
- Integrate mental health, peer support, and burnout mitigation into standard workforce policy, not as optional programs.

Why it matters: Staffing instability drives financial losses, response delays, and service closures. Workforce investment is not a cost driver; it is a cost containment strategy.

5. Strengthen Data, Reporting, and Accountability

Essential designation increases the need for credible, transparent performance data.

- Improve financial reporting to clearly link public funding to service outcomes.
- Track and report key indicators such as response reliability, unit availability, workforce turnover, and community impact.
- Use data to support funding renewals, voter education, and legislative oversight.
- Where possible, align EMS data reporting with broader public safety and public health dashboards.

Why it matters: Transparency builds public trust and protects EMS agencies when service constraints are driven by structural, not operational, factors.

6. Integrate EMS Into Broader Health and Public Safety Strategy

EMS should not be governed by isolation.

- Align EMS planning with hospital capacity, behavioral health resources, public health initiatives, and emergency management.
- Expand alternative response models (community paramedicine, treatment-in-place, alternative destinations) where supported by policy and reimbursement.
- Ensure EMS leadership has a formal seat in public safety and health system governance discussions.

Why it matters: EMS sits at the intersection of healthcare and public safety. Integration reduces system strain and improves outcomes across sectors.

7. Treat Essential Designation as the Beginning, Not the Endpoint

Finally, jurisdictions should view essential service designation as a platform for continuous system improvement, not a final achievement.

- Periodically reassess service standards, funding adequacy, and workforce conditions.
- Adjust governance and deployment models as the community's needs evolve.
- Commit to long-term system stewardship rather than short-term crisis management.

Why it matters: EMS systems that evolve intentionally are more resilient than those that react episodically to staffing shortages or financial emergencies.

Roles and Responsibilities Under EMS Essential Service Designation

Function	State Role	County / Local Government Role	EMS Provider Role
Statutory Authority & Policy	Establish EMS as an essential service in statute; define minimum statewide expectations; authorize funding mechanisms and governance frameworks.	Adopt local ordinances or resolutions implementing essential service designation; assign responsibility for ensuring coverage.	Operate within statutory and regulatory frameworks; comply with licensure and service requirements.
System Governance	Set statewide standards for licensure, clinical scope, training, and coordination; provide oversight and technical assistance.	Design and oversee the local EMS system; determine service model (municipal, nonprofit, private, regional); manage contracts or intergovernmental agreements.	Deliver services according to the defined system design; participate in planning, quality improvement, and coordination.
Coverage & Access Assurance	Establish baseline access expectations (e.g., universal coverage, rural protections); monitor system gaps.	Ensure continuous EMS coverage within jurisdiction; plan for redundancy, mutual aid, and contingency response.	Maintain unit availability and response capability consistent with service agreements.
Funding Authority	Enable and, where appropriate, supplement EMS funding (e.g., Medicaid policy, grants, special funds)	Levy or allocate dedicated local revenue (taxes, surtaxes, assessments); align budgets to cost-of-readiness	Manage revenues responsibly; implement cost controls; document funding needs and use of public dollars.
Financial Sustainability	Reform reimbursement policy where feasible; support alternative payment models and pilots	Fund the gap between reimbursement and the true cost of readiness; reduce reliance on unstable revenue sources.	Accurately track costs, losses, and readiness expenses; support funding justification with data.

Workforce Strategy	Support statewide training pipelines, credentialing, and workforce initiatives.	Fund competitive wages and benefits; support regional staffing and training partnerships.	Recruit, retain, and train workforce; implement wellness, safety, and burnout mitigation strategies.
Quality & Performance Oversight	Define performance benchmarks and reporting standards; aggregate statewide data.	Monitor provider performance against local standards; enforce accountability mechanisms.	Track and report response reliability, staffing levels, clinical quality, and outcomes
Data & Transparency	Maintain statewide EMS data systems; publish system-level insights	Use data to inform funding decisions, public communication, and service planning	Provide timely, accurate financial and operational data; support transparency
Integration with Health & Public Safety	Align EMS with public health, emergency management, and healthcare policy	Coordinate EMS with hospitals, behavioral health, fire, law enforcement, and emergency management	Participate in integrated response models (MIH, alternative destinations, treatment-in-place)
Public Accountability	Ensure statewide equity and access; intervene where systems fail	Communicate service expectations and limitations to the public; steward taxpayer investment	Deliver services consistent with public expectations; maintain trust through performance and transparency

Conclusion

Emergency Medical Services have long operated in a paradox: communities rely on EMS as an indispensable lifeline, yet systems are financed and governed as if their availability were optional. The growing movement to designate EMS as an essential public service reflects a long-overdue alignment between public expectation and public responsibility. This paper demonstrates that essential service designation is not merely a symbolic policy choice; it is a necessary foundation for stabilizing access to emergency care, protecting public safety, and sustaining a workforce under increasing strain.

The evidence is clear. EMS systems are structurally unsustainable under current reimbursement models that fail to account for the true cost of readiness. Financial analysis confirms that transport-based revenue alone cannot support 24/7 response capability, particularly in rural and underserved communities. Without predictable public investment, agencies are forced into a cycle of staffing shortages, service gaps, and financial losses that erode reliability and public trust. Essential service designation provides the policy framework needed to acknowledge this reality and to legitimize durable funding solutions.

Equally important, designation creates clarity. By defining EMS as essential, states and local governments can establish clear coverage obligations, align authority with responsibility, and delineate roles across state, county, and provider levels. When these roles are explicit and paired with accountability, data transparency, and governance discipline, EMS systems are better positioned to plan proactively rather than respond reactively to a crisis.

This paper also underscores that essential designation must be operationalized to succeed. Jurisdictions that treat designation as a catalyst for system redesign, by institutionalizing cost-of-readiness models, investing in workforce sustainability, and integrating EMS into broader health and public safety strategy, achieve greater stability and resilience than those that stop at statutory recognition alone. In contrast, designation without funding authority or governance clarity risks formalizing unfunded mandates that accelerate system failure.

Ultimately, the question facing policymakers and system leaders is not whether EMS is essential. Communities have already answered that question every time they call 911. The real choice is whether governments will fully operationalize EMS as the essential service it has always been, through aligned policy, sustainable financing, and intentional stewardship, or continue to manage decline through closures, burnout, and preventable gaps in care. Jurisdictions that act decisively now have an opportunity to move EMS from a fragile patchwork to a modern, accountable, and equitable public service worthy of the trust communities place in it every day.

About Us

Public Consulting Group LLC (PCG) is a leading public sector solutions implementation and operations improvement firm that partners with health, education, and human services agencies to improve lives. Founded in 1986, PCG employs approximately 2,000 professionals throughout the U.S.—all committed to delivering solutions that change lives for the better. The firm is a member of a family of companies with experience in all 50 states, in Canada, and in Europe. PCG offers clients a multidisciplinary approach to meet challenges, pursue opportunities, and serve constituents across the public sector. To learn more www.publicconsultinggroup.com.

About the Author

Dr. Haley L. Schlechta is a consultant at Public Consulting Group (PCG) who partners with local government providers across the country to enhance program performance and maximize Medicaid revenue through cost reporting, reimbursement optimization, and operational improvement strategies. She brings extensive experience supporting public sector clients through policy analysis, project management, and financial and operational assessments.

At PCG, Haley leads and supports work across Public Safety and Health & Human Services, including Medicaid rate analysis, cost of service studies, provider assessment programs, and Ambulance Supplemental Payment Programs (ASPP) or Ground Emergency Medical Transportation (GEMT) programs. With several years of direct Medicaid cost reporting experience, she has facilitated trainings on identifying the true cost of EMS transport and applying rate analysis methodologies to strengthen Medicaid reimbursement outcomes.

Haley is well-versed in Medicaid ambulance reimbursement structures and EMS financing models in multiple states. She serves as the client lead and project manager for partners in South Carolina, Ohio, Oklahoma, Texas, Washington, Kentucky, and Florida—helping government-based healthcare providers optimize reimbursement, strengthen program operations, and achieve sustainable results.

Ready to move from designation to implementation? Contact PCG to learn how we support EMS systems in building sustainable, accountable, and resilient frameworks.

(800) 210-6113 @ EMSstrategies@pcgus.com .com www.publicconsultinggroup.com/ems

Bibliography

Hassanein, Nada. 'More States Push to Recognize EMS as Essential Service.' EMS1. September 12, 2023.

George, Kelsie. 'State Policies Defining EMS as Essential.' National Conference of State Legislatures. June 27, 2025.

Bachenheimer, Barry, Ed.D, NREMT/FF. 'Navigating the Maze of EMS Funding, Staffing Shortages, and the Essential Label.' EMS World. December 13, 2023.

LegalClarity. 'Why Isn't EMS a Mandated Public Service?' August 19, 2025.

American Ambulance Association. 2024 Ambulance Employee Workforce Turnover Study. Washington, DC: American Ambulance Association, 2024.

Bachenheimer, Barry, Ed.D., NREMT/FF. "Navigating the Maze of EMS Funding, Staffing Shortages, and the Essential Label." EMS World, December 13, 2023.

Centers for Medicare & Medicaid Services (CMS). Medicare Ground Ambulance Data Collection System: Report to Congress. Prepared by the RAND Corporation. Baltimore, MD: CMS, December 2024.

Digitech Computer LLC. "Behind the Sirens: The Hidden Costs of EMS Readiness." EMS World, August 2024. Republished September 3, 2024. https://digitechcomputer.com/costs, of, ems, readiness/.

National Advisory Council on Emergency Medical Services (NEMSAC). EMS System Funding and Reimbursement: Final Advisory. Washington, DC: National Highway Traffic Safety Administration, December 2, 2016.

National Association of Emergency Medical Technicians (NAEMT). Adequate Medicaid Reimbursement for Emergency Medical Services. Position Statement. Clinton, MS: NAEMT, July 14, 2023.

National Rural Health Association. Rural EMS and Ambulance Desert Priorities. Washington, DC: NRHA, 2024.

PWW Advisory Group. "Quantifying the Gap Between EMS Expenses and Reimbursement: Key Findings from the CMS Ground Ambulance Data Collection System." EMS1, February 17, 2025.