



*Scott Walker*  
Governor

*Richard G. Chandler*  
Secretary of Revenue

March 5, 2014

**Testimony to the Senate Committee on Workforce Development, Forestry, Mining, and  
Revenue on Assembly Bill 341**

Chairman Tiffany and members of the committee, thank you for the opportunity to testify on Assembly Bill 341, which would allow municipalities to certify the debts of private ambulance service providers to the Department of Revenue's Tax Refund Intercept Program.

The Department of Revenue opposes expansion of the Tax Refund Intercept Program, or TRIP, for the collection of private debts as proposed in AB 341. It is important that DOR focus resources on its core mission: administering Wisconsin's tax system to provide revenue to fund state and local government services. DOR strives to provide taxpayers with clear information about our tax laws, promote voluntary compliance, and assure tax collection fairness.

The TRIP program provides an efficient mechanism for state government to collect public debts when other mechanisms have failed. TRIP serves as the linkage between multiple governmental entities to which debts are owed. It provides a focused, effective effort to collect those debts owed to governments, ensuring that everyone plays by the same rules. TRIP provides a key service for taxpayers by pursuing debts owed to governmental entities. If TRIP's narrow focus were changed, taxpayers would no longer have the efficient and effective service TRIP provides working solely on their behalf.

The Department of Revenue believes that TRIP should be reserved for public debts. It is important to note that any designation to collect private debts would adversely affect other governmental entities next in line for debt collection. Some local governments would fall behind the private ambulance debts in priority under AB 341. Private debts, as collected by the

Department of Revenue, could take priority over public debts owed to federal, state, local, and tribal governments.

Private entities have several private collection options. Under AB 341, TRIP would be available to private entities free of charge, which could raise concerns among small and medium-sized businesses that provide private collection services.

As you may know, ambulance service providers that agree to provide those services for a municipality could enter into arrangements where the municipality would bear the risk for unpaid services. Municipalities can already certify such debts to the Department of Revenue and the TRIP program under current law.

Additionally, the bill does not require that the ambulance service provider have a contract with the municipality. The Department of Revenue offered language in a technical memo back in August that required a contractual agreement. If the committee decides to take a step to move AB 341 forward despite concerns about using public resources for private debt collection, clarification should be provided that the ambulance company must enter into a contract with the municipality or county to be eligible for the setoff program.

Thank you again for the opportunity to discuss AB 341. I am happy to answer any questions from the committee.

# GUNDERSEN HEALTH SYSTEM®

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To Chairman Tiffany & Members of the Senate Committee on Workforce Development, Forestry, Mining & Revenue,

My name is Eric Tempelis and I am testifying today on behalf of Gundersen Tri-State Ambulance, which is a subsidiary of Gundersen Health System, **in support of Assembly Bill 341 relating to setoffs against tax refunds for debts related to providing ambulance services.**

Gundersen Tri-State Ambulance is headquartered in La Crosse and serves citizens over 3,000 square miles of urban and rural area in the tri-state region of Wisconsin, Minnesota and Iowa. We employ approximately 80 paramedics and 25 emergency medical technicians who provide ambulance services to almost three dozen municipalities in tri-state eight counties, including La Crosse, Crawford, Monroe, Jackson, Vernon and Trempealeau. We have ambulance stations in La Crosse (2), Prairie du Chien, Viroqua, and Holmen.

Our patient population includes approximately 57% Medicare, 12% Medicaid, 17% commercial, and 11% with no insurance coverage. This year we expect to provide ambulance emergency transport to nearly 12,000 patients. 25% of our overall calls do not involve transport or reimbursement of any kind. Gundersen Tri-State Ambulance provides ambulance services to all citizens regardless of ability to pay and administers a charity care program that substantially reduces the cost of ambulance services for citizens with low incomes, up to 400% of the poverty line. Consequently, it is not uncommon for our margin to be negative, which has been the case through the third quarter of 2013.

Gundersen Tri-State Ambulance appreciates the Legislature's willingness to consider a tax refund intercept for ambulance services. Ambulance services are a necessary component of any community's emergency response system. However, historically ambulance services such as ours have not been able to use the tax refund intercept at the Wisconsin Department of Revenue, which would be helpful to the sustainability of ambulance services in Wisconsin, particularly in rural areas.

Minnesota by comparison currently provides a "revenue recapture" program for all ambulance services, which Tri-State participates in. This past year we billed \$150,000 in claims to Minnesota's program and received \$22,000 back in revenue recapture. We found that once citizens learned of the revenue recapture, a large number of citizens responded by paying an additional \$30,000 to Tri-State to cover their claims. We believe this legislation would result in Tri-State being able to recoup 15-30% back on claims that we ordinarily would not receive in the absence of a tax refund intercept program.

In closing, I encourage this Committee to support Assembly Bill 341 to provide tax refund intercept to ambulance services.