

University of Kentucky

Gatton College of Business and Economics

Institute for the Study of Free Enterprise



INSTITUTE FOR THE
STUDY OF
FREE
ENTERPRISE

Study analyzes effects of ambulance ownership type on quality of service

- **The quality of ambulance services may vary across different types of owners and operators**
- **This study finds that ambulance services owned by fire departments are 12 percent or six minutes faster than those owned by community nonprofit organizations, and five minutes faster than those owned by government agencies**

How to structure emergency services within their region is a crucial decision for most local governments. A study coauthored by ISFE Affiliate and University of Kentucky Janis H. Furst Endowed Chair of Economics Kenneth Troske, Hamilton College Visiting Assistant Professor of Economics Sookti Chaudhary, University of Kentucky Research Associate SuZanne Troske, and University of Kentucky H.B. Price Professor of Agricultural Economics Alison Davis aims to shed light on the costs and benefits of different ownership structures for emergency services.

The team of researchers analyze the costs and response times of five different types of ambulance services, those owned and operated by fire departments, governments, community nonprofits, hospitals, and private non-hospital entities.

According to the findings of the paper, if time to the hospital is the measure of quality, fire departments offer the highest quality of service. However, differences in quality are smaller in urban areas, and fire departments' advantage may be due to their ambulances being collocated with fire engines. The study finds little differences among ownership structure outside of this in terms of other quality measures and

finds little to no difference among any ownership structure in terms of costs.

The study is unable to draw more concrete conclusions due to the sparsity of data, which the authors point out that in and of itself may be a takeaway in its own right. Medicare reimburses over \$5 billion for ambulance services, and the industry employs hundreds of thousands of people. Life and death outcomes may also be contingent on the quality of services provided. From their study, given this information, the authors note that their “main conclusion is that, given the amount of money being spent on ambulance services in the United States, it is surprising that data on the performance and costs of ambulances are almost nonexistent.”

The authors continue, “local governments have little evidence to use when deciding how to organize their local ambulance services. While our results provide some evidence on one measure of quality, it would be useful to have other measures of quality as well as costs, so it seems worth investing additional resources to collect this additional information.”