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Emergency of Expanding Government

In an industry largely dominated by government monopoly, private ambulance services offer a great illustration of the importance of a free market. In fact, by competing not only with one another, but also government services, they show that — once again — the private sector is better able to handle almost anything.

Granted, there are areas that clearly are the province of government. But those things are few. Everything else should belong to the private sector. Ambulance services were, once upon a time, all private companies. It is only in fairly recent history that government stepped in and took over that arena. In the ensuing decades, government has attempted — and in some places has succeeded — to create a monopoly in the ambulance industry.

Even still, there are private services competing in that marketplace. One such service is Thorne Ambulance Service, LLC in Greenville, South Carolina. After years in the ambulance industry, Ryan Thorne launched his company in 2010. He told *The New American*, “I went to the bank and tried to get a small loan to get started, and even though I had my whole business plan put together — all my numbers, figures, projections — I was 22 years old, so when I walked into the bank, I pretty much got laughed out of there. It was like they saw me as a kid trying to open up a lemonade stand.”

But believing he had a good plan, Thorne decided to try again, taking a more difficult approach to raising the funds needed to start his company. “I took that same presentation and I sat down at the kitchen table at my parents’ house and I pitched the company to my dad just as I would if I was in downtown New York City trying to pitch some big name investors,” he told *The New American*.

Thorne said his father was a “tough sell” but was convinced by the data that showed that a private ambulance service was needed and something that Ryan could do. Thorne’s father saw the opportunity as an investment. Thorne laughs when he says it is the highest interest loan he has taken out to date.

Like many, his father was at first under the impression that ambulance service is something only handled by government. But when Thorne started his company, there were already 13 private companies operating in his area. Today, owing to a combination of increased government regulation and stiffer competition, that number is down to four. This demonstrates the value of private ambulance services competing with one another. Those that can’t compete — either because they don’t maintain sufficient standards or simply can’t handle the business side of things — evaporate and leave room for those who can compete to expand and fill the new void.





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This is exactly the opposite of what happens with any monopoly, especially government monopolies. When there is no competition, there is no need to strive for excellence. When the government has a monopoly, there is no real accountability. As Thorne explained to *The New American*, “If you call 911 and they dispatch their own ambulance and it never arrives, no one is held accountable. If my company gets that dispatch call and the ambulance never arrives — or arrives late — I am held accountable.” That accountability may take the form of fines, or it may result in losing the contract with the county. But when a county handles all of its own emergency calls in-house and it drops the ball, there are no penalties.

Photo credit: facebook/ThorneAmbulance

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And while Thorne considered the other private services in his area as his main competition in 2010, he said that now government is taking over that role since “there are more and more government-based services that are getting involved in this space” and those are “more predominantly in the rural areas that we serve.” The reason for government-based ambulance services moving into those areas? Thorne answered without hesitation, “The counties are seeing the non-emergency side of the ambulance industry as a way to generate additional revenues.”

Of course, it would be one thing if the counties competed with private-sector services on an even playing field, but that is not the case. Since the counties make the rules, set the standards, and have the power to raise taxes to help pay for their services, it is like playing baseball when the umpire is on the other team’s roster. As Thorne asked, “How can the person setting the rules also play the game?”

When asked whether he is comfortable with some degree of government regulation over his industry, Thorne answered, “Yes, I actually am,” adding, “I’m kind of surprised that I’m saying that myself, considering my typical views of government regulation, but I think what I saw and the reason I started my company was I saw how many people [in the industry] were cutting corners and trying to get ahead by doing the bare minimum — by not meeting a certain standard.”

Obviously, poor service can happen in both the private sector and the public sector, but it’s a lot easier to fix in the private sector. Government-based ambulance services generally are immune to competitive forces, and it’s competition and the threat of being put out of business that cause companies to fight to improve service to keep their clientele — leading to continual improvements. With governmental entities, all one can usually do about bad service is complain and hope (usually in vain) that something will be done to fix the problem.

To be fair, this writer is sure that there are good, qualified, caring, people working for county-owned ambulance services. But all things being equal, Thorne’s point about the lack of accountability still stands.

Even if a government-controlled ambulance business meets the same metrics used to measure how well an ambulance service is doing, there is still not an apples-to-apples comparison. While government ambulances are technically required (though, again, without any real accountability) to meet the same basic metrics in most areas — timeliness, skill levels, equipment, etc. — the one component that a private service has to address that government services do not is customer service. Think about your last visit to the DMV. The employees have certain job criteria they must meet — check one’s documents, administer an eye exam, give a road test, inspect a vehicle before a road test, give out a license if one



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passes the tests, renew one's plates, etc. But since it's a government monopoly, if the representative who serves you provides friendly customer service, that's great; if not, well, better luck next time. After all, it's not as though you could go somewhere else.

Thorne's company and others like it have to treat people well while treating them for ailments. Since you are allowed to choose your healthcare provider, you have the right to request that a certain ambulance service take your aged mother from the nursing home to the hospital for surgery. If you have had great experiences with a certain provider, you will likely ask for them again. If the customer service was terrible, you will ask for someone else. But if the government has a monopoly (as it does with the DMV), you are stuck and just hope for the best. So much for the patient's right to choose his provider when government is the only provider allowed in that space.

And so companies such as Thorne's provide a needed balance by competing with government-based services. If the government-based services want to continue operating in an area where a private company is providing excellent customer service, they have to raise the bar.

Or, since they write the rule book, they can simply change the rules.

Thorne told *The New American* that in one county where he has operated for 10 years and has had an office for several years, the county changed the rules against him. Thorne's had been one of the companies that received 911 dispatches to transport emergency patients to area hospitals. Despite — or maybe *because of* — the fact that many people requested Thorne's company specifically when they called 911, the county took over all 911 ambulance transport. That county is now moving to take over non-emergency ambulance services, as well.

Going back to the counties' ability to raise taxes to offset the difference between real operating costs and revenues generated from ambulance service, consider this: Government sets the Medicare fee schedule for ambulance services. Thorne is not allowed to charge above a certain amount or below a certain amount. That amount is artificial, since it does not take into account the actual costs of operating an ambulance service. And private insurance companies use that fee schedule as a measure for what they pay.

And, tying back into the accountability issue, Thorne told *The New American*, "If I fail to meet standards, I pay a cost — in fines, in lost business, in lost county contracts." But with government-based services, that's not the case. "When they fail to meet standards, they just say, 'We need more money for more people and more equipment' and they raise taxes." So government-based ambulance services are rewarded for doing poorly. And Thorne — by forced taxation at every level — is forced to fund his competition.

To make matters worse, at least one county is abusing its taxing power by artificially inflating wages and drawing employees away from Thorne's company. That county recently announced a 16-percent pay increase for ambulance crew members, when the average increase in Medicare is less than one percent per year. That squeezes Thorne from both sides: He cannot charge more for his services, but he cannot pay the artificially high wages the county is able to pay. The county loses money but can make it up by increasing taxes. Thorne just has to look for ways to keep good people while paying less than government pays.

Thorne's company has participated with a Christian ministry that helps men who are down and out to get back up on their feet. He told *The New American*, "It's something that's new. It's not like a formal,



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official program, it's just something we're doing — we had an opportunity and we knew that we were in a position to help this person in the right direction." The basic idea is that Thorne hires, trains, and pays for the required testing for men referred to him by that ministry. Far from a handout, it is a hand up. Those men are now able to be gainfully employed and have the opportunity to be valuable team members.

Thorne told *The New American* that he expects backlash as a result of this article. "I fully anticipate a Medicare audit. I understand that it is part of being an advocate for the private ambulance industry. And we are prepared for that; we've never had an audit where we did not come back fine."

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