

# **Preserve Patient Access to Critical Ambulance Services**

## **Support Medicare Ambulance Relief**

### **Request:**

Ambulance service providers are a critical component of our local and national health care and emergency response systems. They are also overwhelmingly small businesses which provide jobs and investments in local communities. Unfortunately, ambulance service providers are facing a serious financial crisis due to chronic below-cost Medicare reimbursement. Continued underfunding will force ambulance service providers to scale down services which could ultimately jeopardize access to emergency medical services for all Americans. **Please cosponsor the *Medicare Ambulance Access Preservation Act of 2011 (S. 424, H.R. 1005)* by Senators Schumer, Roberts and Conrad and Congressmen Boustany and Neal to provide for a more permanent solution to below-cost Medicare ambulance reimbursement.**

### **Background:**

#### **Medicare Reimbursement is Critical to Ensuring Care for Entire Communities**

- Ambulance service providers often are the only provider of emergency and non-emergency ambulance services for their community.
- Medicare reimbursement represents a large portion of total payments for ambulance service providers with Medicare patients accounting on average for 50% of transports.
- Chronic below-cost Medicare reimbursement has hampered the efforts of ambulance service providers to hire new staff, update equipment, and continue to provide services throughout all of their communities.

#### **Medicare Reimbursement is Critical to Protect Small Businesses and Jobs**

- The majority of ambulance service providers are small operations with fewer than 10 ambulances.
- Ambulance service providers are a fixture in the community, providing jobs and investment.
- Inadequate reimbursement has had a detrimental impact on the viability of these small businesses.

#### **GAO: Ambulance Service Providers are Reimbursed Below Cost**

- As part of the *Medicare Modernization Act* (MMA) of 2003, Congress requested that the Government Accountability Office (GAO) study the “cost, access, supply and quality of ambulance services” provided to Medicare beneficiaries. In May of 2007, GAO reported:
  - Ambulance providers are paid **on average 6% below cost** and **17% below cost in remote or “super rural” areas** to provide ambulance services to Medicare patients.
- Since the report was issued, ambulance providers now face numerous, detrimental payment reductions:
  - A 2% reduction as a result of a productivity adjustment to the annual inflation update;
  - Implementation of a new fractional mileage policy change by the Center for Medicare and Medicaid Services; and
  - Payment cuts as a result of the Budget Control Act’s sequestration process.

### **Congress has Recognized the Significant Underfunding**

To account for the difficulties facing ambulance service providers, Congress extended most recently in the *Middle Class Tax Relief & Job Creation Act* (H.R. 3630) payment increases of 2% for urban transports and 3% for rural transports and a bonus payment for “super rural” or transports in remote areas.

### **Sustainable Growth Rate (SGR) Fix and Medicare Ambulance Relief are Similar**

- Similar to the problem facing the physician fee schedule, the ambulance fee schedule is in need of a one time fix. Instead of formula correction, the Medicare ambulance fee schedule is in need of a one time infusion of funds based on the findings of the May 2007 GAO report.
- Ambulance service providers could lose up to 17% in Medicare reimbursement if Congress does not act.
- Temporary Medicare ambulance relief, as well as other Medicare provider provisions, has historically been extended in the same legislative vehicle as the physician fee schedule fix.

### **Congress Should Provide an Immediate Fix to a Problematic Payment System**

- The ambulance fee schedule has chronically underfunded ambulance services and is in need of repair.
- Consistent with the GAO report, the *Medicare Ambulance Access Preservation Act* would address the problem with the following elements:
  - 6% increase for ambulance transports originating in urban or rural areas;
  - Extend the MMA bonus payment for transports originating in super rural areas.
- The relief is not the necessary permanent fix but will provide 5 years of meaningful increases.
- CBO has not scored the *Medicare Ambulance Access Preservation Act* but the American Ambulance Association estimates that a one-year increase of 6% for urban and rural and the super rural bonus payment would be \$336 million.

To cosponsor the *Medicare Ambulance Access Preservation Act* (S. 424, H.R. 1005), in the Senate please contact Meghan Taira (4-6542) with Senator Schumer or Jennifer Boyer (4-4774) with Senator Roberts. In the House, please contact Mike Thompson (5-2031) with Congressman Boustany or Ann Jablon (5-5601) with Congressman Neal.

#### **Co-sponsors:**

CA: Rep. Devin Nunes

CT: Rep. Chris Murphy

IL: Rep. Aaron Schock

KS: Sen. Pat Roberts

LA: Sen. Mary Landrieu, Rep. Charles Boustany

ME: Sen. Susan Collins, Rep. Michael Michaud

MA: Sen. John Kerry, Rep. Richard Neal, Rep. John Tierney

MI: Sen. Debbie Stabenow

MN: Rep. Collin Peterson

NJ: Sen. Frank Lautenberg

NY: Sen. Charles Schumer, Rep. Paul Tonko, Rep. Maurice Hinchey

ND: Sen. Kent Conrad

PA: Sen. Bob Casey, Rep. Tim Murphy, Rep. Jim Gerlach, Rep. Jason Altmire

TX: Rep. Charlie Gonzalez

VT: Sen. Patrick Leahy, Sen. Bernie Sanders, Rep. Peter Welch

WV: Rep. Nick Rahall

*The names of sponsors and champions on the bill are underlined.*