



NAEMT Position Statement Medicare Reimbursement

Statement: NAEMT believes it is critical for Congress to ensure that Medicare reimburse EMS services for the average cost of providing high quality prehospital medical services to Medicare patients as recommended in the May 2007 Government Accounting Office (GAO) report to Congress. Medical services provided by EMS services, including treatment and release of patients (with no transport), treatment and referral, and treatment and transport to other healthcare facilities should be reimbursable under Medicare.

To ensure equitable reimbursement levels in rural areas, Medicare reimbursement for rural EMS services should be based on a four-tiered system using a zip code population-based methodology generated by the RUCA coding system.

Background: The EMS system, the nation's healthcare safety net, is utilized by an increasing population of patients who rely on Medicare benefits to pay for emergency medical care. However, Medicare reimbursement to EMS services per transport falls below the cost incurred by the EMS service for providing this care.

EMS services continue to increase the level of life-saving emergency medical care provided to patients in the prehospital setting. This higher level of care requires more expensive equipment and additional training. High quality prehospital medical care improves patient outcomes, including Medicare beneficiaries, resulting in a decrease in overall Medicare expenditures, as noted in the December, 2009 National EMS Advisory Council report.

Medicare is the single largest payer for many EMS services, particularly in rural areas. However, Medicare continues to reimburse EMS services below their cost for providing care to Medicare patients, resulting in inadequate funding for necessary equipment and training. Many EMS services are facing serious financial crisis due to chronically below-cost Medicare reimbursement. As part of the *Medicare Modernization Act* (MMA) of 2003, Congress requested that the GAO study the "cost, access, supply and quality of ambulance services" provided to Medicare beneficiaries. In May, 2007, GAO reported that EMS services are paid **"on average 6% below cost and 17% below cost in remote or "super rural" areas to provide ambulance services to Medicare patients."**

Adequate Medicare reimbursement to EMS services at the average cost of providing emergency medical care will help ensure that paramedics and EMTs can continue to provide the highest level of quality health care and is essential to assuring continued availability of emergency medical services to Medicare beneficiaries, particularly in rural areas.

References:

Ambulance Providers – Costs and Expected Medicare Margins Vary Greatly, United States Government Accounting Office, Washington, D.C., May, 2007.

An Alternative Approach to Defining Rural for the Purposes of Providing Emergency Medical Services (EMS), Rural Health Resources Center, Duluth, Minnesota, July, 2004.

EMS Makes a Difference: improved clinical outcomes and downstream healthcare savings, National EMS Advisory Council, Washington, D.C., December, 2009.

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