

Please Support Permanent Medicare Ambulance Relief and Reform

Request

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Background

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.

The Government Accountability Office (GAO) released a report in October 2012 on the costs of providing ambulance services. The GAO report found that, in the absence of temporary Medicare ambulance relief, Medicare reimburses ambulance service providers below cost. The report—along with a 2007 GAO report that likewise found below-cost reimbursement—demonstrate the need for making the current temporary Medicare ambulance add-ons permanent and for additional improvements to the ambulance payment system.

To ensure the continuity of emergency medical care, Congress needs to make permanent the current temporary Medicare ambulance relief as CMS collects more detailed cost data from ambulance service providers.

Ambulance services are vital to ensuring emergency care and jobs in local communities

- Ambulance service providers are an essential part of our local and national health care and emergency response systems, and often the only provider of emergency medical services for their communities.
- The majority of ambulance service providers are also small businesses with less than 10 ambulances.
- Ambulance service providers are a fixture in the community, providing jobs and investment.
- 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.
- Ambulance service providers also serve as a critical link to assist beneficiaries who require medical transport to receive additional clinical services on a non-emergency basis.

GAO: Ambulance Service Providers are Reimbursed Below Cost

- As part of the *Middle Class Tax Relief and Job Creation Act of 2012*, Congress asked the GAO to update its 2007 ambulance cost report. On October 1, 2012, the GAO released its updated report.
- The GAO found that ambulance service providers are reimbursed 1% below cost when the 2% urban, 3% rural and 22.6% super rural add-ons are not taken into account. The report builds upon the 2007 GAO report which also found that ambulance providers are reimbursed below cost for treating Medicare beneficiaries.

- Although the two reports utilize differing methodologies, both reports demonstrate consistent underfunding of the ambulance system over a period of many years.

Congress has recognized the significant underfunding and need for cost data collection

- To account for the difficulties facing ambulance service providers, Congress in coordination with SGR repeal extensions, has continued payment increases of 2% for urban transports, 3% for rural transports and a bonus payment for transports in “super rural” areas. **The recent extension included in *The Medicare Access and CHIP Reauthorization Act of 2015 (H.R.2)* expires on December 31, 2017.**

To ensure continued access to ambulance permanent relief and reform, please support:

- Permanent 2% increase for services provided in urban areas and 3% increase in rural areas.
- Permanent Medical Modernization Act bonus payment for transports originating in super rural areas.
- Recognition and treatment of ambulance services more like providers of medical services instead of merely suppliers of transportation.
 - The change is important for setting the stage for future changes to the Medicare ambulance fee schedule such as treat and referral of a patient who does not need transport and navigating patients who call emergency medical dispatch for non-urgent medical needs to the appropriate mode of care.
 - Ambulance services are already a covered service under the Medicare program and are reimbursed.
 - The redefinition would not result in any additional reimbursement, as Congress would have to legislate a change in policy.
- Implementing a national prior authorization program for non-emergency basic life support (BLS) dialysis transports to address fraud and abuse with the transportation of dialysis patients.
- Establishing a system to collect ambulance cost data.