



Association of Connecticut Ambulance Providers

Aetna Ambulance -- Ambulance Service of Manchester -- American Ambulance Service
American Medial Response -- Campion Ambulance Service -- Hunter's Ambulance Service

February 20, 2007

Senator Harris, Representative Villano, distinguished members of the Human Services Committee, my name is David Lowell and I am president of the Association of Connecticut Ambulance Providers (ACAP). ACAP is comprised of the six largest commercial ambulance companies who provide emergency and non-emergency ambulance services in all major metropolitan areas and throughout the state.

I offer this written testimony in support of Proposed Senate Bill 1009 "AN ACT CONCERNING AN INCREASE IN THE MEDICAID REIMBURSEMENT RATE FOR URBAN EMERGENCY MEDICAL SERVICES TRANSPORTATION PROVIDERS". The members of our association further request that you support increasing reimbursements to ambulance providers for emergency ambulance transportation services regardless of population of Medicaid patients served.

Ambulance companies, like emergency departments, must be staffed and equipped to respond to all calls for help, regardless of the patient's ability to pay.

Unlike our hospitals however, ***ambulance companies do not have any means to be reimbursed for uninsured or underinsured patients.*** We are compelled by statute to provide these services and are forced to write off a large portion of our services as bad debt. We are currently being reimbursed at about 43% of costs to provide services under the Medicaid program.

Ambulance companies are regulated under a public utility model. Our rates for service are set annually through a filing with the state health department ***and*** are based on our costs to provide these services. These rates are the "maximum allowable" that we can charge for service and do not apply to Medicaid or Medicare beneficiaries. The state approved rates only apply to private pay and other commercially insured patients. The private-pay (uninsured or under-insured) typically don't have the means to pay, and the commercial insurers persistently try to drive their reimbursement rates to at or below Medicare's rates.

In a study conducted by The Program Review and Investigations Committee in 2000, the committee found that expenses for all ambulance services in Connecticut rose about 73% in the five-year period 1994-1999. In addition to identifying a twenty-five percent (25%) increase in call volume for this period, the committee also determined that the average cost per ambulance trip raised thirty-eight percent (38%), from \$299 to

\$414 (Conlin et al., Phase 2, 2000, pp. 6-7). Adjusted for inflation, these numbers are significantly higher in 2007.

According to Connecticut's Legislative Program Review and Investigations Committee, Phase 1 Report (2000):

- o Commercial providers respond to nearly eighty percent (80%) of emergency ambulance calls in the state.
- o Commercial ambulance companies provide primary ambulance response to forty-five percent (45%) of Connecticut's population (Conlin et al. Phase 1, 2000, pp. 15, 22).

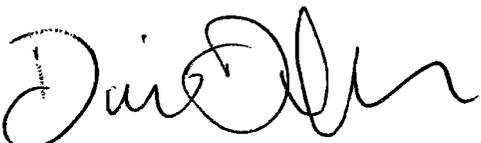
Acting Commissioner of DSS, Michael Starkowski has been responsive to listening to our requests for increase funding over the past several years, and has taken initial steps within budget constraints to incrementally increase our rates. I must emphasize however that although we have achieved some increase, the rates of reimbursement for ambulance service remain woefully low; falling well under the costs incurred by our companies to staff and equip our ambulances to provide these essential services.

Commercial ambulance companies are the key element for services in both state and regional disaster plans. In addition to providing services to their primary service areas, commercial ambulance providers play an essential role in mutual aid, back-up, and paramedic support services to contiguous municipal, third service, and volunteer communities.

In order to protect vital capacity and availability of ambulances throughout the state, ***ambulance services provided to Medicaid entitled patients need to be fully funded consistent with the costs to provide such service.***

We urge your support of payment reform under Medicaid for emergency ambulance services in all communities for and remain available to your committee to answer any questions.

Respectfully submitted,



David D. Lowell
President