



Connecticut EMS Chiefs Association

P.O. Box 643
Suffield CT 06078

Date: 11-March-2014

To: Joint Committee on Human Services

From: Bruce Baxter, President

RE: Support of Raised House Bill # 5447- An Act Concerning Rates of Reimbursement for
Emergency Ambulance Transportation Fees Paid by the Department of Social Services.

Senator Slossberg; Representative Abercrombie, Members of the Joint Human Services Committee, My name is Bruce Baxter. I am the President of the Connecticut EMS Chiefs Association as well as being the CEO of New Britain Emergency Medical Services, the not for profit lead 9-1-1 EMS provider agency for the City of New Britain, CT.

The Connecticut EMS Chiefs Association represents the Chief Executive Officers of those ambulance services operating in the State of Connecticut whose sole and primary mission is the response, care and medical transportation of individuals experiencing an acute, out of hospital medical or traumatic emergency. Eligible members of our Association are directly responsible for more than 70% of the 350,000 9-1-1 EMS response managed in the State each year.

The Connecticut EMS Chiefs Association supports Raised House Bill 5447 calling for the Department of Social Services to restore the ambulance reimbursement rates in effect on December 31, 2010 for all Emergency Ambulance Transports effective July 1, 2014. Passage of this Bill is essential to assuring our 9-1-1 Emergency Medical Services System remains fiscally solvent for all providers but especially for those operating in communities with a disproportionate share of Medicaid beneficiaries. Failure to pass this bill places a direct unfunded cost burden on those services, as well as the municipalities who serve disproportionate shares of Medicaid beneficiaries.

In the fall of 2011, reimbursement associated with the transportation of Medicaid beneficiaries seeking 9-1-1 emergency Medical services was reduced by 10% as part of the balanced FY'12-13 biennial state budget. This reduction affected both Certified and Licensed Emergency Medical Service Providers who are the designated 9-1-1 Primary Service Area Responders for specific geographic areas as assigned by the State Department of Public Health- Office of Emergency Medical Services.

The designated 9-1-1 primary service area responders in each community provide essential health services to their assigned communities functioning as a public health/public safety net in providing life saving care and transportation to those experiencing out of hospital medical and traumatic emergencies.

Unlike other healthcare providers, 9-1-1 EMS providers have an unfunded mandate to provide services regardless of one's ability to pay for the services rendered. Additionally, unlike other healthcare providers EMS is precluded from billing for services rendered unless the patient is transported to a hospital emergency department.

The majority of EMS providers' revenue comes primarily from billing patients' health insurance. The financial stability of an organization is influenced by transport volume, patient acuity and the payer profile. State and Federal Insurance Programs (Medicaid and Medicare) reimburse at rates far below the cost of providing services, **In fact Connecticut Medicaid reimbursement rates for emergency ambulance services are by far the lowest- significantly lower than Medicare.**

In 2007, the Connecticut General Assembly acknowledged this and through various legislative and regulatory actions increased reimbursement for emergency and non-emergency ambulance transport from \$173.45 per transport to \$218.82. At \$218.82, this remains far less than Medicare reimbursement but was viewed as a step in the right direction. In the fall of 2011, a 10% reduction was taken on the emergency reimbursement rates which resulted in reimbursements declining to \$196.94 per transport plus mileage.

To substantiate EMS's true cost, the Federal Government Accountability Office (GAO) has studied the costs associated with producing ambulance services to Center for Medicare and Medicaid services beneficiaries. The most recent study released in October 2012, based on 2010 data, indicated that the cost associated with the care and transport of patients ranged from \$409.00 to \$479.00 per patient transport with a median cost of \$429.00 per transport. They cited costs were higher for services who managed a higher percentage of 9-1-1 EMS calls versus those calls categorized as non-emergency transports. Using the higher cost of \$479.00 per transport as being reflective of the cost of providing 9-1-1 community-based EMS transport identified in the 2012 GAO study, the current Medicaid reimbursement rate accounts for 41% of the true cost of providing 9-1-1 Emergency Ambulance Transportation in Connecticut. In other words, a 9-1-1 service takes an operating loss of \$282.06 for each patient they treat and transport whose primary health insurance is provided by the State of Connecticut Medicaid Program.

- The provision of 9-1-1 Emergency Medical Services mandates the provider to care for and transport a patient without regard to their ability to pay for the service.
- EMS and Emergency Departments are the only healthcare providers mandated to care for patients without regard for their ability to pay for services.
- Like Emergency Departments, 9-1-1 EMS brings the Emergency Department and critical care medicine to the patient's side. It is not an inexpensive endeavor.
- Consistent, timely, high quality care is not cheap. There are necessary costs to assure those using the system will have the best opportunity for continued survival. Communities in this state are struggling with the economy. In a vibrant economy, there are community tax-based funds available to offset the losses associated with providing

care to those with insurances that reimburses below the cost of service production. That is no longer the situation in Connecticut today.

We strongly believe the State is best served by 9-1-1 EMS providers who are reimbursed based upon the true costs of providing services to their respective populations. While the economic crisis continues to plague our State and its communities, we believe the need to restore Medicaid emergency ambulance reimbursement to the previous rate of \$218.823 per transport is essential. Failure to do so will result in an erosion of this critical infrastructure statewide, starting with those services providing essential life saving services in communities with a disproportionate share of primary 9-1-1 Medicaid beneficiaries. As such we urge your support of this critical legislation.