

Testimony of Gregory B. Allard, Vice President
American Ambulance Service, Inc. &
Association of Connecticut Ambulance Providers

Human Services Committee

Thursday, February 26, 2015

Senator Moore, Representative Abercrombie and distinguished members of the Human Services Committee.

My name is Greg Allard and my testimony today is in opposition of:

1. Raised Bill No. 6846, An Act Implementing the Governor's budget Recommendations for Human Services Programs, in particular Section 17.

I feel obligated to point out a few things that differentiate Ambulance Services from other healthcare providers. Section 17 points out that there is an exemption for Ambulance Services in DSS statute because our rates are established by DPH. We by definition are a controlled utility.

I'd like to explain why I believe this exemption exists. Ambulance Services need to be prepared to respond 24/7/365. There is a cost to preparedness. Most other healthcare professionals work somewhat normal work hours and do not require this preparation. The costs of being prepared include, but are not limited to, the EMS professionals, the vehicles, the fuel, the durable and disposable medical equipment, liability insurance, and workers compensation.

We are obligated by law to respond to all emergency requests. In the case of my service, 15% of emergency requests end as cancellations. We accept this as part of the job but you need to understand that we are not able to recoup any expenses on those canceled emergency requests. We can only bill for our services when we actually transport a patient.

It is also important for you to know that Ambulance Services have seen cuts in Medicare and Medicaid four times in as many years. And we're facing it again here in this Raised Bill. Our Medicaid rate was cut by 10% in 2011 and another 10% in 2013.

In 2012 the Government Accountability Office (GAO) released a report stating that Medicare reimbursements for Ambulance Services were below operating costs. Here are few quotes from within that report;

- “ambulance service providers are facing even greater challenges than those identified by the GAO” and...
- “the GAO report likely underestimates the financial difficulties facing ambulance service providers”.

Since that 2012 GAO report, Medicare cut our rate 2% in the 2013 “sequestration” process on all ambulance transports and they cut 10% on dialysis transports in the same year.

The Connecticut Ambulance Medicaid rate is, on average, 50% of our Medicare rate and is, on average, 76% below our DPH controlled rates. Yet our expenses for preparedness are still there. This proposed reduction will have at least a \$425,000.00 impact on my company. A service such as American Ambulance has performance standards we need to adhere to but a reduction like this will hinder our ability to do so. We would need to reduce our most valuable commodity, our team members. This would also result in reductions to our service area and some of the specialized services we provide our region.

Currently we serve 22 communities, 4 Hospitals, 2 free-standing Emergency Rooms, and 33 Skilled Nursing and Rehabilitation Facilities. These facilities would see significant delays or complete service stoppage which would be very costly. In the end, the patient suffers the greatest and I can honestly say I got involved in EMS to help patients, not to make them suffer.

Please reflect on my testimony, specifically the impact on the patient, before casting your vote. It has been my intention to sway you to vote in opposition of Raised Bill No. 6846, Section 17.

Respectfully submitted,

Gregory B. Allard