GAO Demonstrates Continued Need for Ambulance Relief
Thoughtful Consideration Required before Systemic Reform of Ambulance Payment

The Government Accountability Office (GAO) recently released a report on the costs of providing ambulance services. The GAO report found that, in the absence of temporary Medicare ambulance relief, ambulance service providers and suppliers face continued below cost reimbursement for treating Medicare patients. The report—along with the 2007 GAO report that likewise found below cost reimbursement—demonstrate the need for improvements to the ambulance payment system. The Medicare Payment Advisory Commission (MedPAC) recommends reforms that will radically and negatively impact Medicare ambulance payment. Congress must carefully consider the impact of, and justification for, these reforms before making such fundamental changes to ambulance payments. To ensure the continuity of emergency medical care, Congress needs to extend Medicare ambulance relief.

Ambulance Services are Critical to Ensuring Emergency Care and Protecting Jobs in Local Communities
- Ambulance service providers are a critical component 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.

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 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 super rural add-ons are not taken into account. The report builds upon the 2007 GAO report which likewise found that ambulance provider 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.
- The GAO report likely underestimates the financial difficulties facing ambulance service providers. The report did not take into account the expiration of a temporary GPCI add-on, or harmful developments such as productivity adjustments, a new fractional mileage policy, and increased fuel costs.
- Taking these elements into account, ambulance service providers are facing even greater challenges than those identified by the GAO.

Reforms to the Ambulance Payment System Must be Carefully Considered to Maintain Access to Essential Ambulance Services
- MedPAC recommended changes that, if implemented, would place legitimate ambulance services at risk and could result in access to care problems.
- MedPAC acknowledges that payments for some types of ambulance transports should increase, but would do so by significantly cutting payments for others.
- MedPAC seeks to curb problems identified with one type of transport, but targets all nonemergency BLS services, not only the fraudulent actors.
- MedPAC would also eliminate certain payments for rural mileage, resulting in an additional 9.7 percent cut to the majority of rural providers.
- Any reform of Medicare ambulance payments should utilize a thoughtful process based on data and a thorough consideration of the complex issues involved.

Congress Should Ensure Continued Access to Ambulances by Extending Medicare Relief
- The GAO reports demonstrate how vital Medicare ambulance relief is to ensuring access to ambulance services.
- To account for the difficulties facing ambulance service providers, and provide adequate time for thoughtful consideration of reform, Congress should extend the ambulance payment relief of 2% for services provided in urban areas, 3% in rural areas and the bonus payment for “super rural” transports.