**Advance Medicare Relief and Reform for Ambulance Services**

**As This Session Comes to a Close, Congress Should Pass the Noncontroversial Provisions to Improve Cost Data Collection and Provider Status Contained in S. 377/H.R. 745**

Ambulance services 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. The federal government and local jurisdictions are looking for ways to utilize their unique health care qualifications and skills to drive and support health care system delivery innovation. Yet, three things stand in the way of the critical reform: (1) economic instability; (2) lack of accurate and reliable cost and revenue data; and (3) failure to recognize ambulance services as providers of health care.

**The *Medicare Ambulance Access, Fraud Prevention and Reform Act* (S. 377, H.R. 745) introduced by Senators Schumer (D-NY), Roberts (R-KS), Leahy (D-VT), and Collins (R-ME) in the Senate and Congressmen Walden (R-OR), Welch (D-VT), Nunes (R-CA) and Neal (D-MA) in the House, addresses these barriers to meaningful reform by:**

1. **Building the temporary ambulance add-ons into the base rate, consistent with findings from the GAO;**
2. **Establishing a cost data collection system, tailored to the unique nature of ambulance services, consistent with the report issued by CMS under the American Taxpayer Relief Act (ATRA); and**
3. **Designating ambulance services as providers of service, so that the health care services they deliver, as outlined in a 2006 report by the then-Institute of Medicine (IOM, now National Academy of Science), are recognized.**

**The Need for Economic Stability: The GAO Recognizes that Ambulance Services 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 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.
* Ambulance services **strongly urge Congress to make these add-on payments permanent**, most recently extended through January 1, 2018 in *The Medicare Access and CHIP Reauthorization Act of 2015* (H.R.2).

**An end-of-the year health care package may also provide an opportunity to pass non-controversial provisions from S. 377/H.R. 745. Therefore, we urge Leadership to pass the provider status and cost data collection provisions. These bipartisan policies would create the foundation for more meaningful comprehensive ambulance reforms.**

**The Need for Collecting Cost Data: Both the Ambulance Community and the Government Recognize that We Need to Collect Cost Data to Appropriately Reimburse for Ambulance Services**

* While CMS traditionally requires a cost reporting system, it recognizes that traditional cost reports will not work for ambulance services.
* Given the approximately 13,000 ambulance providers, many of whom have 5 ambulances or less, a CMS report recognized that current cost reporting methods are not appropriate because they do not take into account the wide variety of characteristics of ambulance providers and suppliers.
* The legislation creates a hybrid model of cost data collection in which
  + CMS would designate ambulance services by structure (*e.g.,* volunteer, governmental entity, private, etc).
  + Within each category, CMS would determine a statistically valid number of services to provide cost and revenue data. Those selected would not need to provide data again until all ambulance services in the category provide data.
  + If an ambulance service is required to provide data and does not, it would receive a 5% cut the following year.
* Similar provisions passed out of the Senate Finance Committee in December 2013.

**The Need for Provider Status: The IOM Recognizes that Ambulance Services Provide Health Care Services, Not Just Medical Transportation**

* “Emergency care has made important advances in recent decades: emergency 9-1-1 service now links virtually all ill and injured Americans to immediate medical response; organized trauma systems transport patients to advanced, lifesaving care within minutes; and advances in resuscitation and lifesaving procedures yield outcomes unheard of just two decades ago.” (Institute of Medicine: *Emergency Medical Services at a Crossroads* (2006)).
* Designating ambulance services as providers is important because:
  + Payment rates need to recognize the costs of the health care services provided, as well as the transportation;
  + Provider status sets the stage for future reform: alternative destinations, treatment without transport, mobile integrated health/community paramedicine; and
  + Statutory requirements on providers will raise the bar for billing Medicare and help reduce fraud and abuse.

**The American Ambulance Association, American Hospital Association, International Association of Fire Chiefs, National Association of Emergency Medical Technicians, National Rural Health Association, National Volunteer Fire Council and over 20 state ambulance and EMS organization support the Medicare Ambulance Access, Fraud Prevention and Reform Act.**