



November 15, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McConnell, and Minority Leader McCarthy:

The long-standing temporary Medicare ambulance increases are set to expire at the end of this year at a time when ground ambulance service organizations and fire departments are facing unrepresented financial challenges. It is critical that Congress first and foremost extend the temporary increases, and also raise the percentages to reflect the escalating costs of providing vital emergency 9-1-1 and nonemergency ambulance services. Specifically, we request that the current add-ons be raised from 2% to 3.4% for ambulance services provided in urban areas, 3% to 4.3% in rural areas, and 22.6% to 26.7% in extremely or “super” rural areas for the next five years.

Ambulance services are a vital component of our local and national health care and emergency response systems and serve as lifelines of medical care for communities. The extension of the current temporary Medicare increases is our top priority and essential to ensuring access for not only Medicare but all patients to vital emergency and nonemergency ambulance care. An extension at the present percentage levels with the addition of the 2023 ambulance inflation factor (AIF) update alone will not keep pace with the recent significantly increased cost of providing these often lifesaving services.

Ground ambulance service organizations and fire departments are struggling with costs associated with increased turnover of personnel, difficulty recruiting new personnel, and higher costs for ambulances, facility maintenance, equipment, and supplies. These increased operating costs are compounded by the problem of a shortage of paramedics and emergency medical technicians over the last several years which has been exacerbated by the COVID-19 pandemic. Now more than ever, the temporary Medicare increases are critical to the survival of ambulance services across the U.S. and in particular in underserved parts of our country.

The proposed increases to 3.4% urban, 4.3% rural, and 26.7% for super rural payments reflect the reduced reimbursement for ambulance services due to the productivity adjustment and spread across the next five years. Since 2011, the AIF (which is tied to CPI-U) has been cut by a productivity adjustment equal to the 10-year moving average of changes in the economy-wide private nonfarm business multi-factor productivity index (MFP). This adjustment assumes that providers can utilize new technology and improve efficiency to offset the impact of inflation. However, the labor-intensive nature of emergency medical services and the inability to schedule calls for service makes it difficult to achieve productivity gains, particularly in rural areas. Ambulance services must be on call 24 hours per day, seven days a week, and cannot significantly reduce staffing levels or vary their hours in response to demand.

Far from breaking even, ambulance services lost a staggering \$440 million in Medicare reimbursement from FY2011-2022 due to the productivity adjustment, according to a recent Health Management Associates study commissioned by the American Ambulance Association. Prior to the implementation of the productivity adjustment, the Government Accountability Office (GAO) had determined that Medicare, on average, reimbursed below the cost of providing ambulance services without the current temporary increase. Years of below-cost Medicare reimbursement have hampered efforts by ambulance services to hire new staff, update equipment, and continue to provide life-saving services in their communities. Ambulance services have closed or been forced to lengthen response times because of the stresses on their system.

We strongly encourage you to extend the temporary Medicare ambulance increases for the next five years as well as raise the percentages to the proposed levels of 3.4% urban, 4.3% rural, and 26.7% super rural.

Sincerely,

American Ambulance Association
International Association of Fire Chiefs
International Association of Firefighters
National Association of Emergency Medical Technicians
National Rural Health Association