

April 4, 2018

The Honorable Darin LaHood  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman LaHood,

Thank you for agreeing to introduce legislation to restructure the offset used in the Bipartisan Budget Act of 2018 (H.R. 1892) to cover the cost of a five-year extension of the Medicare ambulance add-ons. We support your efforts to shift a majority of the impact of the offset to those entities which do predominately basic life support (BLS) repetitive nonemergency transports to and from dialysis centers. It is important the restructured offset is enacted in time to be implemented on October 1, as stipulated in H.R. 1892.

The offset included in H.R. 1892 cuts by a cumulative 23% the Medicare reimbursement for BLS nonemergency transports performed by all ambulance service suppliers and providers to and from dialysis centers. Ambulance service providers and suppliers which provide predominately emergency and unscheduled nonemergency ambulance services cannot afford yet another cut in Medicare reimbursement.

According to Government Accountability Office (GAO) reports published in 2007 and 2012, Medicare reimburses ambulance service providers and suppliers below the average cost of providing medical care to Medicare patients. To further exacerbate the matter, the AAA has determined that since 2010, the year of the data used for the 2012 GAO report, policy changes have resulted in an additional 9% reduction in Medicare reimbursement under the ambulance fee schedule. While we greatly appreciate the five-year extension of the add-ons included in H.R. 1892, it is important that we minimize the impact of the offsetting cuts.

We believe that any cuts in Medicare reimbursement for ambulance services is not the right policy. However, those entities in which a majority of their transport volume is repetitive scheduled transports to and from dialysis centers have a lower cost of providing services due to the nature of their business. CMS has also raised the concern about the potential for waste and abuse by certain entities which have an extremely high volume of BLS nonemergency dialysis transports.

We therefore support your efforts to restructure using a budget neutral formula the cut in reimbursement for nonemergency BLS ambulance transports to and from dialysis centers

in a way in which a majority of the cut applies to those entities which do predominately repetitive scheduled transports.

We also recognize that any policy that saves money may be considered by some as fair game to pay for other priorities. Therefore, we also ask that you make clear that the legislation to restructure the offset from HR 1892 should not be viewed as an offset for any other priority and that the intent is to implement a more targeted and appropriate policy for the ambulance community.

Thank you for your leadership on this issue.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark Postma', with a stylized, cursive script.

Mark Postma  
President  
American Ambulance Association