



Budgetary Impact on the Provision of Emergency Medical Services by Commercial Ambulances

Current UNYAN Members:

Alamo EMS
AmCare Ambulance
Bangs Ambulance
Citywide Mobile Response
Cooperstown Medical Transport
Empire Ambulance
Erway Ambulance
Finger Lakes Ambulance
Guilfoyle Ambulance
Hunter Ambulance
Kunkel Ambulance
Medical Transport Service
Midwood Ambulance
Mobile Life Support
Mohawk Ambulance
Monroe Ambulance
Northern Dutchess Paramedics
Oswego County Ambulance
Regional EMS
Richmond County Ambulance
Rural/Metro – Central NY
Rural/Metro – Intermountain
Rural/Metro – Rochester
Rural/Metro – Southern Tier
Rural/Metro – Western NY
Schenectady Ambulance Serv.
Seaway Valley Ambulance
Superior Ambulance
TLC EMS
TransCare Corp.
Trans Am Ambulance
Twin City Ambulance
WCA Serv. Corp.

The United New York Ambulance Network (UNYAN) is a trade organization comprised of thirty-four (34) commercial ambulance services licensed by the Department of Health to operate throughout New York State. UNYAN member organizations range from small services with less than ten (10) ambulances to very large services with hundreds of ambulances involved in the provision of Emergency Medical Services (EMS). The mission of UNYAN is to promote the delivery of high-quality and timely emergency medical care in a cost-effective manner whenever and wherever our members are called upon to provide EMS. Although UNYAN does not speak for all of the commercial ambulance services licensed in NYS, we represent a good cross section of the commercial ambulance industry, and can give voice to a number of relevant issues that face us today and should bare consideration from our elected officials. Here are a few significant demographics you may wish to know about the commercial ambulance industry in NYS:

- ❑ While only 7% of the ambulance services in NYS are commercial services we operate 26% of the NYS Certified Ambulances providing emergency care and transportation.
- ❑ The commercial services handle almost 40% of the emergencies and 78% of the non-emergencies from among the 1,117,856 total yearly calls recorded by the New York State Department of Health. (See attachment).
- ❑ At the present time twenty-two (22) of the twenty-five (25) largest Cities in NYS use a commercial ambulance service to provide 911 EMS for their residents. In point of fact in over forty (40) of the State's sixty-two (62) Cities you will find a commercial ambulance providing 911 EMS coverage.
- ❑ Commercial ambulances provide care in fifty (50) of New York State's fifty-eight (58) Counties and take their patients to, from, and between every hospital throughout the State.
- ❑ Commercial services employ an estimated 7,500 professional staff throughout New York State.
- ❑ In many areas of our State the commercial ambulance services were the first to bring Paramedics and Advanced Life Support to the communities they served.
- ❑ New York State has approximately 8% of the ambulance services that have gained the prestigious National Accreditation and Recognition from the Commission on Accreditation of Ambulance Services (CAAS). All but one are commercial services and UNYAN members.

As you can clearly see, the commercial ambulance services provide a critical portion of the Emergency Medical Service needs of the residents of

New York State, and the specialized resources essential to this State's domestic preparedness and response capabilities.

Testimony:

While the commercial services are not the sole provider of EMS services in New York State, they as a group provide the majority of services, yet receive the least amount of local government funding in the provision of that care. Unlike their counterparts incorporated under the fire services or the independent volunteer ambulance services, the majority of the revenues that commercial services receive to fund their operations comes from a fee-for-service basis. Under a fee-for-service basis, the majority of municipalities pay little or no yearly appropriation for EMS, and the commercial service only invoices the patient or their insurer that actually use this service. It is overwhelmingly the most cost effective manner for a municipality to ensure the provision of high-quality emergency medical care for their citizens. Not having to divert municipal funds for EMS has enabled a large number of our cities to stretch their resources among their other critical needs. The commercial providers assume almost all of the financial risk in this delivery system and have been willing to tolerate the occasional losses almost any business would anticipate that arise in today's marketplace. There are a few issues that make EMS different from these other marketplaces, and those issues could have a profoundly negative impact on EMS and on domestic preparedness, as the following will attempt to illuminate.

- ❑ **The Duty to Act.** When we commit to providing emergency 911 EMS services, we are never allowed to ask about the ability of a patient to pay for the emergency care their condition requires. To do so would be unethical, and could be construed to prejudice the care provided to a patient based on their financial means. When called we must respond, provide the all medical care required, and must transport the patient to a local hospital. We would never seek to change this basic principle, but in any other type of service industry it would be tantamount to extending credit to everyone who walked in your door asking for your service without any commitment on their part to eventually pay for that service. Not many businesses would probably agree to those terms.

- ❑ **Medicaid Reimbursement.** As you are well aware Medicaid is primarily handled County-by-County, with each County establishing their own rate structure. Not one of the Counties has ever employed a methodology to calculate their ambulance service rates that is based on the ambulance service's cost of providing that service. Compounding the dilemma is that there has been no meaningful readjustment of those rates in most Counties in over ten (10) years. Although the Medicaid rate varies by County, the impact on the commercial services is the same: ***The reimbursement does not cover our costs to provide that service.*** A survey of our membership shows that, on average, the current Medicaid rates only reimburse fifty percent (50%) of the cost of providing that service. Since many of the Medicaid recipients requiring ambulance services live in our Cities, and since commercial providers cover most of the Cities, the commercial providers take the brunt of the financial hardship. Some of our member agencies report that well over forty percent (40%) of their calls are Medicaid recipients, and that number continues to grow in some financially distressed areas. Unlike certain other medical or dental practices that have had the luxury of deciding whether they will agree or decline to provide services to Medicaid recipients, as we previously stated, we simply cannot. In essence, because we accept the responsibility of providing EMS to our communities, and because we must accept assignment, Medicaid forces us to work below our costs and take a

loss every time we treat a Medicaid recipient. While many of our services have tried to lessen the disastrous impact that insufficient Medicaid reimbursements have had on their businesses by broadening out their payer mix with other types of non-emergency work, the disparity between the reimbursement rates and the actual cost of providing service now make that impossible. Without any relief some commercial services may shortly have to decide to eliminate this source of financial loss in the only way possible: ***Cease providing 911-EMS service in the municipalities they cover.*** Not one of these affected services wants to have to make that decision, but it will eventually come down to the simple economic decision of cease the EMS operations and restructure, or bankrupt the service. In previous Medicaid Task-Force fact-finding hearings the threat that insufficient Medicaid reimbursements is having on the commercial providers was well established, as was the fact that the financial increases necessary to rectify this dilemma represent a very small portion of the overall Medicaid expenditures. It is projected that the total increase in Medicaid expenditure Statewide would amount to slightly less than ***\$8,000,000***. UNYAN has lobbied for a fee schedule based upon the research and work done by the Centers for Medicare and Medicaid Studies (CMS), and a multi-year implementation schedule. We support initiatives aimed at significantly reducing the impact that Medicaid expenditures have at our County level, and are willing to participate in any discussions that might seek to look at programs that might improve the delivery of these services to the Medicaid patient in a cost-effective manner.

- **Fuel and Sales Tax.** The gap between reimbursement rates and the cost of operations widens when you take into account that a large part of our expense is tied up in vehicle and fuel. The escalating price of gas and diesel fuel necessary to operate these fleets has had a disastrous impact on our industry, and one that is beyond the control even of our Federal Government. At a State level the fuel taxes that we are charged, unlike those agencies incorporated under the not-for-profit statutes that perform similar work, is clearly one way that State Government might consider as a way of helping us to contain the cost of providing emergency 911 services. The same could be said for the taxes we pay on the purchase of the necessary vehicles and capital equipment needed to render that medical care. Relief in the areas of fuel and sales tax could aid many services to continue their provision of essential EMS services. Current estimates of the fiscal impact of implementing these two relief measures would amount to ***\$1,200,000*** for the fuel taxes and ***\$650,000*** for the sales taxes.

- **Domestic Preparedness.** Today terms such as “Domestic Preparedness” and “Homeland Security” conjure up images that many of us would rather not have to think about due to recent events. But if you were to step back in time ten or fifteen years ago and ask our commercial services what that meant to them they probably would have immediately told you of their disaster or multiple casualty incident (MCI) plans. These plans were designed to deal with the foreseeable natural disasters such as hurricanes and floods, or the man-made ones like bus and plane accidents or large fires. In those times the training and response needed were simpler and required the equipment and resources already available in the system. But today the threats are very real and very different. To be truly prepared to face the current possible scenarios we may be called upon to deal with we need far more exhaustive training and specialized equipment. Although you often hear of Federal and State Grant money earmarked for First Responders in truth only a very small percentage goes to EMS in general, and commercial ambulance services are excluded from receiving direct grants. Neither the Federal Emergency Management Administration (FEMA) nor the State Emergency Management

Office (SEMO) has provided direct assistance to the commercial services that have the EMS preparedness responsibility for many municipalities throughout the State. Sadly, in some communities the available preparedness funds have gone to services who are authorized to receive the funds, yet who must rely on commercial services to routinely cover their service areas since they lack the available staffing to cover their emergency calls. Certainly any relief that could be provided in the aforementioned areas would free up some of the commercial provider's resources to reappropriate to these vital areas, but simply stated it would still not bring all service up to the preparedness level our communities require. What is desperately needed is the assistance of our State legislators in helping to bring this issue to the attention of Washington. Freeing up even a small portion of the Federal funds earmarked for these issues so that all First Responders, including the commercial EMS providers, can share them will dramatically improve the level of preparedness capabilities in our municipalities. At the State level the same restrictions must be lifted from SEMO to allow the available training and equipment dollars to be spent where necessary regardless of service provider. Our staff are state and federal taxpayers like everyone else, so why should they be denied access to funding that would protect them in the completion of their duties? Ask yourself this basic question: ***Why should some of our citizens be adequately protected and some not, solely on the basis of how the EMS service that protects them is incorporated?***

Summary:

It is hoped that you have a better appreciation for the magnitude of the role that commercial ambulance services have in EMS throughout New York State, and how many residents depend on them everyday. They are an indispensable part of our emergency services and our domestic preparedness. They allow many municipalities to have access to EMS that they otherwise would either not be able to afford it, or would have to spend millions of dollars to replace each year. They have stepped up and invested in our cities and communities, and millions of our residents have benefited from their commitment. Without the attention and assistance identified herein there is a real threat to the continuation of that EMS coverage in some of our municipalities, not because of an unwillingness to serve, but because of the fiscal practices of the State of New York and its various divisions. There is no magic solution or silver bullet that will miraculously fix this situation, but implementing the improvements in Medicaid reimbursements and tax relief initiatives for a net impact of less than ***\$10,000,000*** will go a long way towards correcting this inequity and avoiding a more costly eventual fix. We urge you to consider including these measures into the current proposed budget, and we promise that UNYAN will work with our State Legislators and Departments to improve services to all New Yorkers in a prudent and fiscally sound manner. We are proud to serve this great State, but cannot do it without your continued help and support. Thank you.

For Additional Information Contact:
United New York Ambulance Network
160 Homer Avenue
Cortland, New York 13045
(607) 756-8389
or

INFO@UNYAN.NET

Website www.unyan.net