

FEBRUARY 16, 2005 HCRA TESTIMONY

MY NAME IS MARK ZEEK. I AM THE CHAIRMAN OF UNYAN – THE UNITED NEW YORK AMBULANCE NETWORK.

I WANT TO THANK ASSEMBLYMAN GOTTFRIED, AND THE OTHER MEMBERS OF THE ASSEMBLY, FOR INVITING ME TO SPEAK TODAY ON BEHALF OF THE COMMERCIAL AMBULANCE SERVICES OF NEW YORK.

IN THE LAST DECADE THE COMMERCIAL AMBULANCE INDUSTRY HAS BECOME A PRIMARY SUPPORT PILLAR OF EMERGENCY MEDICAL SERVICES IN NEW YORK STATE. BUT THAT PILLAR IS NOW CRACKED, AND IT THREATENS TO BRING DOWN PART OF THE ROOF OF EMERGENCY SERVICES THAT PROTECTS US ALL.

AS YOU CAN SEE FROM THE HEALTH DEPARTMENT GRAPHICS THAT ARE INCLUDED IN YOUR PACKETS, COMMERCIAL AMBULANCE SERVICES DO A SIGNIFICANT NUMBER OF EMERGENCY AND NON-EMERGENCY CALLS IN THE STATE, OUTSIDE THE CITY OF NY. ABOUT 66% OVERALL.

YOU CAN ALSO SEE THAT COMMERCIAL SERVICES REPRESENT ONLY 7% OF SERVICE OWNERSHIP, BUT OPERATE 1289, OR 32%, OF THE AMBULANCES IN THE STATE. THIS IS A SIGNIFICANT CAPACITY THAT IS RECOGNIZED BY THE HEALTH DEPARTMENT IN ITS DISASTER RESPONSE PLANS. IT REPRESENTS THE SURGE CAPACITY OF OUR INDUSTRY TO QUICKLY PROJECT EMERGENCY MEDICAL FORCES WHEREVER THEY MIGHT BE NEEDED IN A LARGE SCALE EVENT.

IN THE PAST WE HAVE PROVIDED SIGNIFICANT RESPONSE LEVELS TO THE NORTH COUNTRY ICE STORM, THE WORLD TRADE CENTER, AND WERE PLACED ON STANDBY FOR THE BLACKOUT. WE ARE FULLY CAPABLE OF PROVIDING SIMILAR ASSISTANCE SHOULD ANOTHER EVENT OCCUR. IT SHOULD BE NOTED THAT THE READINESS, AND WILLINGNESS, TO RESPOND IN THIS WAY IS WITHOUT COST TO TAXPAYERS. WE ARE, IN FACT, INELIGIBLE FOR HOMELAND SECURITY FUNDING OF ANY SORT, DESPITE THE FACT THAT WE ARE THE LARGEST AVAILABLE RESOURCE.

IT IS ALSO WORTHY TO NOTE THAT COMMERCIAL AMBULANCE SERVICES ARE THE MOST COST EFFECTIVE EMS DELIVERY SYSTEM IN AREAS WHERE THERE IS SUFFICIENT CALL VOLUME.. IN THOSE AREAS WITH INSUFFICIENT VOLUMES WE ARE PIONEERING PRIVATE / PUBLIC PARTNERSHIPS AND CREATING HYBRID COMMERCIAL / VOLUNTEER / MUNICIPAL SYSTEMS THAT GET THE JOB DONE EVERY DAY.

HOWEVER, OUR FINANCIAL AND OPERATIONAL VIABILITY IS NOW SERIOUSLY COMPROMISED BY A LONG HISTORY OF WILDLY VARYING, GROSSLY INADEQUATE, AND NON-COST-BASED MEDICAID REIMBURSEMENTS.

IN 2004 MEDICAID PATIENTS MADE UP 15-45% OF OUR CALL VOLUME, DEPENDING ON WHERE IN THE STATE WE OPERATE. ALTHOUGH WE ARE ALL IMPACTED TO SOME DEGREE, BECAUSE WE ARE DUTY BOUND TO RESPOND IRREGARDLESS OF THE PATIENT'S ABILITY TO PAY, THE LARGER COMPANIES, THAT PROVIDE SERVICE IN 22 OF THE 25 LARGEST UPSTATE CITIES, ARE BEARING THE BRUNT OF THE GROWTH IN THE NUMBERS OF MEDICAID PATIENTS.

SINCE MEDICAID PAYS, ON AVERAGE, LESS THAN 50% OF THE COST OF CARING FOR THESE PATIENTS, OUR INDUSTRY IS SUBSIDIZING LOCAL, STATE, AND FEDERAL GOVERNMENTS, AT THE RATE OF \$15-\$20MILLION A YEAR! AT THE SAME TIME OUR COSTS FOR INSURANCE, FUEL, UTILITES AND PERSONNEL HAVE RISEN DRAMATICALLY. YET 70-80% OF OUR REIMBURSEMENTS ARE CONTROLLED BY THE GOVERNMENT THROUGH MEDICARE AND MEDICAID. THE REMAINING 20-30% OF THIRD PARTY INSURERS ARE EQUALLY ADEPT AT CONSTRAINING REIMBURSEMENTS WHENEVER THEY CAN. ADDITIONALLY, WE RECEIVE NO DISPROPORTIONAL SHARE FUNDING LIKE THE HOSPITALS DO. OUR INDUSTRY IS SEVERELY THREATENED.

TO SOLVE THIS INEQUITY WE SUGGEST, FOR THE SAKE OF SIMPLICITY AND COMMON SENSE, THAT THE STATE ADOPT THE NATIONAL MEDICARE AMBULANCE FEE SCHEDULE AS THE MODEL FOR MEDICAID AMBULANCE REIMBURSEMENT. THIS FEE SCHEDULE IS A RATIONAL, COST BASED REIMBURSEMENT, PREDICATED ON A THREE YEAR NATIONAL STUDY OF AMBULANCE COSTS. ENSURING EQUIVALENT MEDICAID AND MEDICARE AMBULANCE REIMBURSEMENT, AS ARIZONA GEORGIA AND MINNESOTA HAVE ALREADY DONE, IS ALSO FUNDAMENTALLY FAIR. THE WORK IS THE SAME. WE FURTHER SUGGEST THE STATE TAKE OVER THE COUNTY SHARE OF THE INCREASED REIMBURSEMENT, AND PHASE IT IN OVER A PERIOD OF YEARS. WE SUGGEST THE FUNDING COME FROM HCRA, UTILIZING SAVINGS FROM EFFORTS TO REFORM OTHER AREAS OF MEDICAID. WE WOULD NOT ADVOCATE UTILIZING HCRA FUNDS ALREADY DEDICATED TO EMS TRAINING.

THE COST TO PROVIDE MEDICAID AMBULANCE REIMBURSEMENT AT THE LEVEL OF THE MEDICARE FEE SCHEDULE, AS DETERMINED BY THE HEALTH DEPARTMENT, IS ESTIMATED TO BE \$7.4 MILLION WHEN FULLY PHASED IN.

PROVIDING MEDICAID AMBULANCE REIMBURSEMENT AT THE MEDICARE FEE SCHEDULE LEVEL WILL NOT ONLY HELP TO STABILIZE OUR INDUSTRY, BUT WILL ALSO PROVIDE NEEDED ASSISTANCE AND RELIEF TO THE GROWING NUMBER OF VOLUNTEER AND MUNICIPAL SERVICES WHO NOW CHARGE A FEE FOR SERVICE, AND WHO DEPEND ON THAT REVENUE FOR PART OF THEIR SURVIVAL.

THANK YOU FOR YOUR TIME AND ATTENTION TO THIS SUPREMELY IMPORTANT MATTER TO ALL THE CITIZENS OF NEW YORK.

RESPECTFULLY SUBMITTED,
MARK ZEEK, CHAIRMAN
UNYAN – THE UNITED NY AMBULANCE NETWORK