



Please Extend Medicare Ground Ambulance Add-On Payments

REQUEST

Please support H.R. 2232, the Protecting Access to Ground Ambulance Medical Services Act, introduced by Reps. Claudia Tenney (R-NY) and Terri Sewell (D-AL), which would extend the add-on payments at their current levels of 2% urban, 3% rural, and 22.6% super rural until December 31, 2027, and support efforts to further raise add-on percentages. These payments are set to expire on September 30, 2025. Senate companion legislation will be introduced in the near future.

BACKGROUND

Ambulance services are a vital component of our local and national health care and emergency response systems and serve as lifelines of care for a wide range of individuals, including seniors who rely on Medicare. Ambulance services across the nation, especially in rural areas, are facing unprecedented fiscal challenges. Medicare currently provides temporary 2% urban, 3% rural, and 22.6% “super rural” add-on payments for ambulance services. These payments are essential to ensuring all patients have access to vital emergency and non-emergency care, but they still do not bring Medicare payment rates up to a level that covers the full cost of providing services.

The cost of the equipment, goods, and services purchased by ambulance services is rising at a rate much faster than general inflation. This includes annual double-digit percentage increases in the price of replacing old ambulances. Years of below-cost Medicare reimbursement have hampered efforts by ambulance services to hire new staff, update equipment, replace aging ambulances, and continue to provide life-saving services in their communities. Ambulance services have closed their doors or been forced to lengthen response times because of the stress on their systems.

The closure and downsizing of hospitals and the shortage of primary care physicians, especially in rural communities, has placed significant new demands on ambulance services. At the same time, the EMS workforce exited the pandemic strained by a depleted number of EMTs and Paramedics and increasing call volume.

The Fiscal Year (FY) 2025 Continuing Resolution extended the current Medicare payment add-ons through September 30, 2025. An additional extension through the end of 2027 is necessary to analyze ongoing data collection and reform the ambulance fee schedule.

To learn more or to cosponsor H.R. 2232, please contact Jack Boyd in Rep. Tenney’s office at Jack.Boyd@mail.house.gov or Cameryn Blackmore in Rep. Sewell’s office at Cameryn.Blackmore@mail.house.gov.

ADDITIONAL INFORMATION:***Ground Ambulance Data Collection Underway***

Ground ambulance service organizations are currently providing their revenue and cost data to the CMS Medicare Ground Ambulance Data Collection System (GADCS). This data is intended to help Congress determine how to reform the Medicare ambulance fee schedule.

CMS released a preliminary report in December 2024 stating that the aggregate data from the GADCS confirmed that the cost per transport of providing ambulance services to Medicare patients is higher than revenue per transport.

However, the multi-year data collection project is behind schedule, and reform of the ambulance payment system is likely more than several years away. Ground ambulance service organizations cannot wait that long for additional relief.

Medicare Productivity Adjustment Has Compounded Reimbursement Insufficiency

Since 2011, Medicare has reduced the Ambulance Inflation Factor – which is tied to Consumer Price Index for All Urban Consumers (CPI-U) – by a “productivity adjustment” equal to the 10-year moving average of changes in the economy-wide private non-farm business multi-factor productivity index (MFP).

In short, this adjustment assumes that providers can utilize new technology and improve efficiency to offset the impact of inflation. Unfortunately, that assumption is not correct for a variety of reasons:

- The labor-intensive nature of EMS makes it difficult to achieve productivity gains, particularly in rural areas. Because emergencies can occur at any time, ambulance services must maintain preparedness for emergencies 24 hours a day, seven days a week, and cannot reduce staffing levels or reduce hours.
- As more ambulance services close, those remaining are spread thinner over wider geographies. The further an ambulance service is stretched, the less likely that an ambulance will always be available to respond to every emergency.
- Far from breaking even, ambulance services lost a staggering \$440 million in Medicare reimbursement from FY2012-23 due to the productivity adjustment, according to a recent study commissioned by the American Ambulance Association.