Statement in Opposition
Executive Budget Proposal
Eliminate Medicaid Payments, Part B Co-insurance for Ambulance Services
(Article VII, HMH S1507-A/A2007-A, Part C, Section 3)

The New York American College of Emergency Physicians (New York ACEP) is strongly opposed to a proposal in the 2019-20 State Executive Budget to eliminate State Medicaid payments for Medicare Part B co-insurance for ambulance services. This proposal threatens the viability of ambulance service providers in the State and puts patient health and safety at risk.

Currently, under Part B of the federal Medicare program, only a portion of the cost of care is paid, leaving the remainder to be reimbursed through beneficiary cost sharing in the form of deductibles and co-payments. Generally, Medicare pays 80% of the approved amount for covered services. Under current State law, Medicaid pays the remaining 20% for those who are eligible for both Medicaid and Medicare, also known as “dual-eligibles.” Ambulance services are currently a covered service for the Medicaid “crossover” payments for dually-eligible, low-income and elderly individuals. The proposed 2019-20 State Executive Budget eliminates State Medicaid crossover payments for ambulance services for dually eligible individuals.

This proposal will cripple ambulance services across the State and seriously diminish their ability to maintain service levels. In 2018, Medicaid crossover payments for commercial ambulance services alone totaled $13.6 million (state and federal). In addition, this proposal impacts municipal, fire-based, volunteer, and hospital-based EMS providers. The reduction in funds will result in communities losing EMS services. Patients will be put at risk and ultimately suffer. Patients who do not receive ambulance services quickly have worse medical outcomes and higher health care costs.

Ambulance providers are required to accept a patient’s insurance as payment in full- a feature of the current system that ensures timely access to high quality emergency medical care. However, if ambulance providers are not reimbursed for the 20% amount for deductibles and copayments, it could lead to reduced services and the closure of businesses.

A 2017 report by the NYS Department of Health (NYS DOH), Medicaid Ambulance Rate Adequacy Review, found that ambulance services are currently under-reimbursed by the Medicaid program. In fact, this NYS DOH report recommended an increase in current Medicaid ambulance reimbursement rates at an annual cost of $31.4 million (non-federal share of $15.7 million). This State Budget proposal will make a bad situation for patients untenable and set ambulance companies back years in terms of Medicaid rate adequacy.

New York ACEP is strongly opposed to this proposal. We urge the State Legislature to reject Governor Cuomo’s proposal to eliminate Medicaid reimbursement for these vital services.