

## **Increase in Medicaid Reimbursement Rates**

In 2007, the Federal Government Accountability Office (GAO) released a report (GAO-07-383) which clearly showed that Medicare reimburses ambulance service providers below the actual cost of providing those services. In comparison, Medicaid reimbursements in Wisconsin have been far below that of Medicare rates for the same type of call or transport.

The 2012 GAO report (GAO-13-6) again found that ambulance service providers are reimbursed well below cost, as compared to the Medicare rates. With that finding in mind, the GAO report likely underestimated the financial difficulties facing ambulance service providers—as the report did not take into account many other factors such as the expiration of temporary GPCI add-ons, productivity adjustments, a new fractional mileage policy, or changes in fuel costs.

In order to offset the below cost reimbursements, Medicare currently offers a temporary relief to ambulance services, in which they provide a 2% urban, 3% rural, or 22.6% super rural add-on payment for each ambulance transport. In addition, Medicare has had annual adjustments to reflect the cost of providing Healthcare for at least the past 15 years, whereas Medicaid has had no increases in reimbursement rates since 2008—when a 1% increase had been implemented from the prior year.

To reemphasize, the issue at hand is that Wisconsin Medicaid reimburses ambulance services at a rate far less than Medicare reimbursement rates. This is contributing to an ever increasing financial problem with all ambulance services in the State: Volunteer, Career, Fire-based, Hospital-based, County-based, 3<sup>rd</sup> Party services, Private services, and any other type of ambulance provider in Wisconsin. The financial health of an entity can directly affect the recruitment and retention of qualified Healthcare professionals—which has already been identified as a growing issue for EMS Services, by the Wisconsin State legislature.

Several stakeholder groups across Wisconsin committed to working together to research the reimbursement rates nationwide, in order to create a proposal for a fair and equitable rate to be considered for Medicaid reimbursements for EMS in Wisconsin. Those stakeholder groups include the Professional Ambulance Association of Wisconsin (PAAW), the Professional Fire Fighters of Wisconsin (PFFW), the Wisconsin EMS Association (WEMSA), and the Wisconsin State Fire Chief's Association (WSFCA). Our four organizations together represent more than 18,000 Wisconsin EMS professionals, and over 425 transporting ambulance services.

The attached document shows the current Reimbursement Rates for both Medicaid and Medicare. The chart shows the percentage in 2019 that Wisconsin Medicaid pays to Ambulance services (based on the Medicare reimbursement rate) as well as what the reimbursement rate amounts would be at the 80% and 100% of Medicare reimbursements. At 100%, the total increase would amount to just under \$15 million more than what is currently being paid by Medicaid. As the current Medicaid dollars are being funded by a split of 60% Federal money, and 40% State money, that equates to \$9 million Federal funds, and \$6 million State funds being utilized to fund the requested increase.

**As the Medicaid Reimbursement Rates have not increased for ambulance services since 2008, our coalition has been working with Representative Loudenberg to create a Budget Motion and Legislation authorizing DHS to increase reimbursement rates, for any given year moving**

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**forward. We ask that you support a Budget Motion and/or Legislation to increase the Medicaid reimbursement rates, in order to assist in sustaining EMS in the State of Wisconsin.**