



## **Close the Medicaid Payment Gap By Increasing Medicaid Ambulance Rates to Get Closer to the Cost of Delivering Care in the 2025-2026 NYS Budget**

**December 2024**

Medicaid ambulance payment rates are significantly below the cost of delivering care. This inhibits the ability to strengthen the EMS responder workforce and maintain ambulance access for communities.

EMS providers lose money on every Medicaid and Medicare transport. Despite our crucial role in public safety and our commitment to responding 24-7-365, the Medicaid program does not pay its share of costs.

**NYSVARA, UNYAN, NYSAC, FASNY, NYSAFC and AFDSNY make the following recommendations to close the Medicaid payment gap:**

- 1) The Medicaid Ambulance Fee Schedule should be increased to close the gap between Medicaid ambulance payments and the corresponding Medicare payment rate over the next three state fiscal years. We recommend an increase of 30 percent over the next three state fiscal years, beginning in SFY 2025-2026, to achieve parity with Medicare and get closer to the cost of providing the service.**
- 2) Once the gap is closed, the Medicaid fee schedule should be annually adjusted with a trend factor that is reflective of actual annual cost increases to EMS agencies.**
- 3) Should New York State receive federal approval for a Managed Care Organization Tax and Healthcare Stability Fund, a dedicated funding mechanism must be established to address chronic Medicaid ambulance underpayments. The SFY 2024-2025 enacted state budget requires the NYS Commissioner of Health to apply for a federal waiver to impose this tax.**

NYSVARA, UNYAN, NYSAC, FASNY, NYSAFC and AFDSNY have endorsed S.3223 (Sanders)/A.9237 (Hevesi) that would provide a Medicaid rate increase for EMS providers by creating a methodology for ambulance reimbursement that more closely approximates the cost of providing services.

Supporting Information:

- Medicaid makes up an increasing proportion of 911 EMS responses. Approximately 28% of the NYS population is covered by Medicaid. 65% of non-elderly Medicaid enrollees in NY are people of color.
- Ambulance services provide emergency care to all patients, regardless of insurance status. Ambulance services absorb the cost of caring for the uninsured and do not receive state or federal government assistance with the cost of uncompensated care.
- **Costs are Increasing and Ambulance Services are Closing**
  - 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.
  - Many ambulance services do not have the resources to replace aging ambulances, equipment, and technology. New equipment -- like power stretchers -- improves the standard of care and EMS provider safety but is much more expensive than the obsolete equipment being replaced.
  - Ambulance services are simply running out of ways to survive and are closing. The total number of ambulance services in New York State has decreased by 9% over the past 10 years from 1,078 to 982 (2013-2023).
- **The EMS Workforce is in Crisis**
  - EMS staffing in New York State is in crisis, largely due to the low wages paid to career EMS responders. Medicaid payments that equal costs are needed to increase the number of active NYS certified EMS responders.
  - The number of active and certified EMS personnel in NYS declined by 17.5% from 40,046 in 2019 to 33,022 in 2022.
  - 37% of the respondents to a 2023 NYS EMS Council (SEMSCO) career workforce and salary survey indicated that they plan to leave the EMS field in the next five years. Only 48% of respondents believed they have a long-term career in EMS.
  - 45% of EMTs reported having an hourly base wage of \$19 or less, despite their lifesaving role. In comparison, the average salary of a retail salesperson in NYS is \$19.23 per hour (Bureau of Labor Statistics).
- **Annual Increases for Inflation are Needed – EMS is Falling Further Behind**
  - The federal Medicare program increases the ambulance fee schedule each year to adjust for inflation. NYS Medicaid does not, allowing ambulance payments to fall further behind costs.

The annual federal Medicare ambulance rate increase averaged 5.45% percent over each of the last three years.

- NYSVARA, UNYAN, NYSAC, FASNY, NYSAFC and AFDSNY are grateful for the Medicaid ambulance payment rate increases implemented in 2023. However, EMS funding increases were left out of the state budget by the Governor and legislature in 2024 and there were no changes to the Medicaid ambulance fee schedule.
  - At the same time the budget made more than \$800 million in needed investments in hospitals and nursing homes. EMS is a critical part of the health care system and should not be left out.

