



NAEMT Position Statement Adequate Medicaid Reimbursement for Emergency Medical Services

Statement:

NAEMT believes that the essential life-saving public function fulfilled by emergency medical services (EMS) necessitates appropriate reimbursement by state Medicaid programs to assure its viability. The ability of EMS to fulfill this essential public function in meeting the day-to-day emergency medical needs of local communities and responding to disasters, public health crises and mass casualty incidents depends upon sufficient economic resources. State governmental authorities must share the responsibility for funding EMS at a level that recognizes the cost of service delivery.

Background:

EMS agencies across the country are in crisis. The primary driver of EMS delivery crisis is the inability to generate adequate funding to support costs for personnel, equipment, and supplies. State Medicaid programs have historically reimbursed EMS agencies far below the cost of service delivery. Medicaid, by Congress' design, exists to assist those who are underserved, and has become a significant healthcare insurance provider. According to the Kaiser Family Foundation, seventeen (17% to thirty-six (36%) percent of Americans are enrolled in Medicaid, while one-quarter are enrolled in Medicareⁱ.

A 2023 survey of state Medicaid reimbursement rates conducted by the American Ambulance Association reveals that the average Medicaid base-rate reimbursement for an emergency advanced life support (ALS-E) response is \$232.72 (9.9% of the average cost of service and 43.7% below the Medicare Fee Scheduleⁱⁱ). Delaware has the lowest ALS base-rate reimbursement rate at \$60.05 (2.6% of the average cost of service delivery, and 88.8% below the Medicare allowable), while North Dakota has the highest ALS base-rate reimbursement rate of \$567.62 (24.1% of the average cost of service delivery, and 100.1% of the Medicare Fee schedule).

The chronic and severe funding gap for services provided by states to EMS agencies for Medicaid recipients places an unfair burden on EMS agencies, and their local communities. Medicaid underfunding results in a cost-shift to other payers for EMS services, such as local taxpayers, patients, and 3rd party insurers. In some cases, in which EMS services are funded by local tax subsidies, the result of the low Medicaid reimbursement results in residents being double taxed for EMS services, the tax paid to states, and the taxes used by local governments to fund their desired service level.

NAEMT supports the continued provision of EMS through all delivery models best determined at the local level. Yet, given the essential life-saving public function provided by EMS, strong state leadership and appropriate and consistent state funding is vital to ensure the viability, effectiveness, and sustainability of EMS. State Medicaid reimbursement for EMS must be sufficient to ensure an effective response not only in daily operations, but also in disasters, mass casualty incidents and other public health crises.

The millions of Americans each year with emergency medical conditions count on EMS; EMS must be able to count on state governments to support the essential public function it provides.

References:

ⁱ4/23: Analysis of Recent National Trends in Medicaid and CHIP Enrollment: <https://www.kff.org/coronavirus-covid-19/issue-brief/analysis-of-recent-national-trends-in-medicare-and-chip-enrollment/>

ⁱⁱ National Average Medicare Fee Schedule for A0427, ALS-E base rate of \$531.62; 2023 Ambulance Fee Schedule, Public Use Files: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AmbulanceFeeSchedule/afspuf>

Adopted: *July 14, 2023*