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Senator Ingwersen, Chair
Representative Meyer, Chair
Members, Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

Re: LD 1429 – *An Act to Provide Full Reimbursement for Emergency Ambulance Services Provided to MaineCare Members*

Senator Ingwersen, Representative Meyer and members of the Joint Standing Committee on Health and Human Services, thank you for the opportunity to provide information in opposition of LD 1429, *An Act to Provide Full Reimbursement for Emergency Ambulance Services Provided to MaineCare Members*.

This bill requires the Department of Health and Human Services (the “Department”) to reimburse providers of emergency ambulance services at the “full rate” for services provided to MaineCare members, which it defines as “the reimbursement rate determined to be usual, customary and reasonable by the Department and consistent with federal guidelines and applicable state law.” It applies to municipal, quasi-municipal, and private ambulance services and fire department emergency medical services. The bill also requires the Department to adopt rules to implement the reimbursement requirement and to submit an annual report to the Legislature.

Given that the Department’s current reimbursement methodology is to reimburse 100% of the allowable Medicare rate, the Department would consider that it already meets the definition that its reimbursement be “usual, customary, and reasonable,” terms not elsewhere defined in statute. As such, LD 1429 would not alter reimbursement amounts based on the proposed requirement and definition that reimbursement equal the “full rate”.

If the intent is to have the Department reimburse for the full amount of a provider’s “usual and customary” charges, the Department would not determine such rates as reasonable, as charges are not determined by an analysis of cost or efficiency and tend to vary significantly across providers. It is not standard practice for any healthcare payer to reimburse at 100% of charges. Commercial reimbursement for ambulance services currently benchmarks 180-200% of Medicare, and LD 1192 (currently proposed) would increase this reimbursement to 400% of Medicare. To the extent a provider’s usual, customary, and reasonable charges may correlate with current commercial reimbursement amounts, the Department does not consider reimbursement at the level of 200-400% of Medicare to reflect the federal requirement that Medicaid reimbursement be reasonable and efficient.

If the intent of this bill is to increase rather than safeguard current reimbursement levels, the Department opposes LD 1429 as it would propose to alter the reimbursement for MaineCare reimbursement services outside of 22 M.R.S. § 3173-J, a rate reform process established to analyze and prioritize rates paid to providers. The goal of 22 M.R.S. § 3173-J was in part to move toward more consistent, equitable, and data driven rates that create incentives for efficiency and high-quality care for members. This bill could perpetuate a one-off approach to rate setting which would conflict with 22 M.R.S. 3173-J. In addition, the Department feels its current reimbursement targeting 100% of Medicare is a reasonable and adequate amount.

The Department requests clarity surrounding the use of “usual and customary” terminology and intent of the bill. Should LD 1429 move forward and clarification be provided as to whether and how the bill would require MaineCare to change current reimbursement methodology, the rate determination process set forth in 22 M.R.S. § 3173-J will still need to be followed to amend reimbursement methodology. The Department will need to request the necessary state plan amendments from the federal Department of Health and Human Services, Centers for Medicare & Medicaid Services and adopt routine technical rules upon federal approval.

If LD 1429 truly intends to defer to the Department to determine what constitutes a ‘full rate’ then the Department would keep rates unchanged as a result of this legislation. However, if the bill intends to apply the provider’s “usual and customary” charge instead of the Department’s “usual and customary”, a combined state and federal fiscal impact of \$75,005,643 would be expected.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,



Michelle Probert
Director
Office of MaineCare Services
Maine Department of Health and Human Services