

Testimony of the Maine Municipal Association

In Support For

LD 1192 - *An Act to Increase the Commercial Insurance Reimbursement Rate for Ambulance Services*

April 22, 2025

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Sen. Bailey, Rep. Matheson and distinguished members of the Health Coverage, Insurance and Financial Services Committee, my name is Rebecca Graham, and I am submitting testimony in support for LD 1192, *An Act to Increase the Commercial Insurance Reimbursement Rate for Ambulance Services*, at the direction of our 70 member Legislative Policy Committee (LPC).

The ability for emergency services to receive reimbursement for care they provide on scene that does not result in transportation to a hospital, which would be reimbursable in any other care setting, along with increasing the amount of reimbursement for allowable care form two key priorities of MMA's legislative platform.

Commercial rates for reimbursement are currently tracked to the extremely low Medicare rate which results in ambulance services losing money on each call. That loss of revenue related to the cost of service is paid for by the municipal property tax assessed in many cases via a per capita rate.

When an individual visits Maine, and requires emergency services, the private insurance companies that may be able to adequately pay for the direct cost of the care are not required to pay more than 200% of the Medicare rate, leaving the property tax for the residents to fill the void. This constant loss of user repayment through insurance means that those who do not use the service are required to subsidize the service for those who do, also making it challenging to the level of service or improve employee satisfaction.

Unlike law enforcement where county sheriffs and the state police are available to provide backup services, there is not a state or county response unit available to assist when a community does not have the staffing, funds, or call volume necessary to support an ambulance service. Hospital-based services are also facing similar funding and staffing challenges. Due to the insurance reimbursement issues, many of those hospital-based services are making operational decisions to not provide emergency response. This shifts the burden to existing municipal based services forcing those established in some communities to expand their response to adjacent communities. For this reason, the committee may want to consider limiting the increased reimbursement to services that provide direct emergency response over those that provide just interfacility transfers.

For these reasons, municipal officials thank you for your review of this matter and respectfully ask you to support LD 1192 and additionally, consider expanding the reimbursement rate to cover emergency care provided on scene without resulting in transport and which would be reimbursable in any other healthcare setting by similarly licensed providers.