



**Testimony of Trevor Putnoky
to the Joint Standing Committee on Health Coverage, Insurance and Financial Services**

Neither For Nor Against

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

April 22, 2025

Good afternoon, Senator Bailey, Representative Mathieson, and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services.

My name is Trevor Putnoky and I'm the President and CEO of the Healthcare Purchaser Alliance of Maine. The HPA is a nonprofit that represents the purchasers of health care in Maine. Our mission is to advance and support access to high-quality, affordable care. We have over 60 members, including some of the largest public and private employers and health trusts in Maine. Collectively, our members spend over a billion dollars annually providing health care for nearly one quarter of the commercially insured population in the state.

I'm here today to testify neither for nor against LD 1192. As you've heard today from supporters of the bill, ambulance providers play a crucial role in ensuring that Mainers experiencing medical emergencies receive timely care, as well as safe and swift transport to hospitals and other medical facilities when needed. We realize that many ambulance providers are struggling financially and understand the need to maintain this important resource.

As you consider this proposal, I want to provide some context on how doubling commercial reimbursement rates for ambulance services (from 200 to 400 percent of Medicare) would impact the Maine employers and consumers who would be required to pay that rate. Based on an analysis of HPA's book of business, setting reimbursement at 400 percent of Medicare would increase costs for these services to \$196 per employee per year. At the current 200 percent of Medicare threshold, the cost per employee is \$98 per employee per year. For a business with 100 employees, this would increase premium costs by nearly \$10,000 annually.

While LD 1192 would set ambulance reimbursement rates at a plan's negotiated rate or 400 percent of Medicare, **whichever is less**, we believe rates would rise to 400 percent under the bill. This is because the bill would set reimbursement at 400 percent of Medicare for both in-network **and** out-of-network providers, meaning that ambulance providers would have no incentive to negotiate a lower rate to stay in network. In other words, this construct takes away plans ability to negotiate rates below the threshold. If LD 1192 were amended to not apply the 400 percent rate to out-of-network providers, or if the rate were set below 400 percent of Medicare, the premium impact estimated above would be smaller.



Further, increasing the reimbursement rate to 400 percent of Medicare would set payments for ambulance services substantially above the reimbursement rates paid to Maine hospitals relative to Medicare. Specifically, commercial payers currently pay Maine hospitals an average of 254 percent of Medicare.¹ In addition, an exhaustive study of ambulance costs in New Hampshire recently concluded that ambulance provider costs would be covered if they were reimbursed a 202 percent of Medicare for transport codes and 209 percent of Medicare for mileage procedure codes.² While Maine is not New Hampshire, it is unclear what differences between the two states would warrant setting Maine's ambulance provider rate at twice the rate needed to cover the costs of providing ambulance services in New Hampshire.

While more than doubling reimbursement rates for ambulance services will substantially increase resources to those providers, that financial relief will come at the expense of Maine businesses and consumers who are already struggling to afford the high costs of care, and who will have to absorb the additional costs associated with LD 1192 through higher premium contributions, less generous plans, higher deductibles, or additional employee cost sharing. While the premium impact of this one proposal may not seem substantial, it is only one of a number of LDs that the Legislature is considering this year that would increase premiums. As you consider how to support Maine's ambulance services, we urge you to take into account how this and other proposals would further erode healthcare affordability for Maine employers and their employees and families.

Thank you for the opportunity to share the HPA's feedback on LD 1192. I'd be happy to answer any questions and will be available for the work session.

¹ Employers' Forum of Indiana, *Prices Paid to Hospitals by Private Health Plans: Findings from Round 5.1 of an Employer-Led Transparency Initiative*, December 2024. Available at: <https://employerptp.org/studies/pt5/#resources>.

² Public Consulting Group, *New Hampshire Ground Ambulance Cost Study Final Report*, January 6, 2025. Available at: <https://nhhp.org/wp-content/uploads/2025/01/New-Hampshire-Ground-Ambulance-Cost-Study-Final-Report-1.7.25.pdf>.