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4/17/2025

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 35 – *An Act to Strengthen Local Emergency Medical Services by Increasing the MaineCare Reimbursement Rate for Ambulance Services*

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services:

This letter is to provide information and express the Department's opposition to LD 35, *An Act to Strengthen Local Emergency Medical Services by Increasing the MaineCare Reimbursement Rate for Ambulance Services*. This bill establishes an ambulance service assessment fee on ambulance service providers in order to maximize federal funding for reimbursement to ambulance service providers under the MaineCare program. This maximization would result in excessive reimbursement for ambulance services that the Department does not believe meets the requirement that Medicaid reimbursement be reasonable and efficient. In addition, the bill as written is overbroad, as federal regulations only permit such a tax structure be imposed on emergency ambulance services, in order to allow the state to reimburse the revenue in reimbursement.


The Department must oppose LD 35 as written as the Department has its own companion budget initiatives that propose a conceptually similar combination of an ambulance tax paired with increased ambulance reimbursement, effective July 1, 2026. The MaineCare program is in a shortfall situation and the Department has proposed an emergency ambulance services assessment in order to achieve the dual objectives of investment in these services as well as net revenue to the state to assist with a balanced budget.

§2150-O (4) directs the Department to increase the total reimbursement amount for emergency ambulance services up to the average commercial rate to the extent permitted by the amount of funds generated from the fee. This would 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. Commercial reimbursement for ambulance services currently benchmarks 180-200% of Medicare, and LD 1192 (currently proposed) would increase this reimbursement to 400% of Medicare. 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.

Section 2 requires the Department to submit for a waiver or state plan amendment within 6 months of the effective date of this act, this timeline is not operationally feasible. In addition to gaining stakeholder feedback, rate determination process requirements set forth in 22 M.R.S. § 3173-J will need to be observed in order to apply funds as proposed in §2150-O(4). The Department is required to request the necessary state plan amendments from CMS following the completion of the rate determination process outlined in 22 M.R.S. § 3173-J, which is also subject to the adoption of routine technical rules. In addition, approval and implementation of the new fee or assessment involves additional time: the federal administration is applying additional scrutiny to new state proposals of provider taxes. Through its own proposed assessment, the Department has learned that additional work is necessary to determine which ambulance service providers would meet the municipal exemption. line, as well. Lastly, new processes will need to be put in place to transfer revenue, and to work with any third party vendors that may be involved. The timeline proposed in this bill is not feasible to allow the necessary time for these steps.

The Department supports modest and sustainable investment in reimbursement for Ambulance Services by way of an ambulance service provider assessment that further assists the State to cover the increased costs of MaineCare services and encourages the committee to oppose LD 35 as the proposed changes go against statute (22 M.R.S. § 3173-J) and similar, proposed Department initiatives. We would be happy to answer questions and provide additional information should it be helpful to the Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Probert", written in a cursive style.

Michelle Probert
Director
MaineCare Services