



Maine Municipal Association

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Testimony of the Maine Municipal Association

Neither For Nor Against

LD 1258 - An Act To Implement the Recommendations of the Stakeholder Group Convened by the Emergency Medical Services' Board Related to Reimbursement Rates for Ambulance Services by Health Insurance Carriers and To Improve Participation of Ambulance Service Providers in Carrier Networks

April 20, 2021

Senator Sandborn, Representative Tepler and distinguished members of the Health Coverage, Insurance and Financial Services committee, my name is Rebecca Graham, and I am presenting testimony neither for nor against LD 1258 at the direction of our 70 member Legislative Policy Committee.

MMA's Legislative Policy Committee initially established a position prior to reviewing the proposed amendment to the ambulance services reimbursement rate, which has substantively changed the municipal view of the bill. Originally, the language required reimbursement to be based on the percentage of provided under Medicare or the in-network or out-of-network rate established by the insurance provider, which ever was higher.

As this committee is undoubtedly aware, the Medicare reimbursement rate for ambulance services, particularly in vulnerable rural areas of the state, is so low that most municipal ambulance services lose money the moment they leave their station. There is no alternative transportation in many of these communities, and property tax assessment off sets reimbursement shortfalls in most cases.

While municipal officials are sympathetic to the interest among insurance carriers to understand and reward efficient medical services, they have created complex systems of documentation hoop jumping that leave small rural ambulance services spending enormous amounts of administrative time to simply meet paperwork requirements. Officials welcome the necessity to keep a streamlined process for entering into an in-network provider service that reduces the cost of administration and keeps the focus on care—where it should be.

However, the shift in language is concerning to municipal officials because of the low reimbursement rate for Medicare currently, and voluntary nature of the mileage/rural supplement offered in the bill. This rural mileage supplement in the Medicare program currently does not

meet the cost associated with operating a rural ambulance service in the face of hospital regionalization and resources. The Association and officials feel the “whichever is greater” not “lesser” language has the potential to actually drive more in-network participation because it recognizes that the cumbersome process of insurance administration has a cost to the property taxpayer that is more appropriately shouldered by those who can afford health insurance over those who qualify for income dependent care.

Officials understand that the spreadsheet view drives insurance and is vitally necessary when providing transport and non-emergency services. However, patient geography, ambulance staffing and care drive the costs for municipal ambulance services responding to emergencies.

Sometimes, measuring care requires knowledge of a reality outside an Excel spreadsheet and impacts on property taxpayers to supplement the costs of such shortfalls. While it is understandable that insurance providers may want to limit their exposure for non-emergency transport services, setting a low limit for emergency transport provision currently hits their property owning subscribers twice as hard. Some ambulance services move to routine transport to try to off-set those losses and lessen that burden on their municipality.

That said, officials believe this bill is a step in the right direction with requiring providers to streamline and make their paperwork uniform to lessen the paper on municipal ambulance services. Set levels of reimbursement may provide a better path towards meeting the real costs of ambulance services. However, officials would like to see the return to the original language which better fits need for the vast majority of insurance receipts in our vastly rural state.