



California's Private Sector Ground Ambulance Services

Critical Safety Net Services. The health care system relies upon ambulance services to respond to the scene of a medical emergency, transfer patients between emergency departments, and transport non-emergency patients from one level of care to another. Of the 2.7 million ambulance transports annually in California, almost 90% are emergencies or require continuous medical care.

Ambulances are the safety net of the safety net; an ambulance service will never refuse to provide emergency service regardless of a patient's ability to pay.

Public/Private Service. Of the 3,600 ambulances operating in California, 74% are operated by 170 private companies and 26% are operated by 545 public agencies, primarily fire departments. In many areas, fire service personnel provide initial response to 911 calls in fire trucks and they are joined by a privately-operated ambulance which provides additional treatment and transport to a hospital. Some fire departments also provide transport. Labor costs account for up to 70% of private ambulance service expenses. 20,000 people are employed in California's private ambulance industry earning an average of \$35,000 a year (includes part-time employees). Private ambulance personnel are paid 50% less than firefighters who work on ambulances.

Because operational and personnel costs are as much as 50% higher for public agencies, private ambulance companies are often the most cost-effective means of providing ambulance service.

Ambulance Reimbursement. The average cost of an ambulance transport in California is \$589.

- 21% of patients are covered by Medi-Cal, which pays an average of \$150 – just 1/4 the cost.
- 35% of patients are covered by Medicare, which pays \$426 on average per transport.
- 18% of patients are not insured, yet they pay an average of \$233 dollars per transport.
- 18% of patients are privately-insured. They and their insurance companies together are billed, on average, \$1,274 for an ambulance transport to subsidize Medi-Cal and Medicare losses. This cost-shifting results in higher deductibles and health insurance costs. Some private insurers are refusing to pay the billed amount.

Unlike other health care providers, emergency ambulance services cannot reduce access to care for Medi-Cal patients by "opting out" of Medi-Cal or adjusting patient loads to ensure financial viability.

Funding Supplements. Statewide, ambulance providers deliver an estimated \$320 million in charity care to the uninsured, \$165 million in uncompensated care to Medi-Cal beneficiaries and \$20 million in uncompensated care to Medicare beneficiaries – more than double the levels provided by hospitals and physicians.

- Private sector *physicians and hospitals* are reimbursed a portion of their losses for uncompensated care through the Maddy EMS Fund which is funded through additional fines for moving violations.
- Public, private and non-profit *air* ambulance services receive a Medi-Cal reimbursement supplement which is also based on an additional fine for moving violations.
- Public and private sector *hospitals* that serve a high proportion of Medicaid patients receive funds from the federal Disproportionate Share Hospital (DSH) program, but ambulance services do not.
- *Public agency* ambulance services will soon receive a Medi-Cal reimbursement increase via a certified public expenditure federal match program, AB 678 chaptered last year, but private ambulance were specifically excluded.

Private ground ambulance service is the only segment of the EMS system for which no state or federal funding is available to offset uncompensated care and charity care.

For more information, contact the CAA at (916) 239-4095 or (877) 276-1410 (toll free) or go to www.the-caa.org.