Honorable John J. Flanagan
President Pro Tempore and Majority Coalition Leader
New York State Senate
332 Capitol
Albany, NY 12247

Dear John:

In the state budget 2016-17, the Department of Health was required to study Medicaid Ambulance Rate Adequacy. The Department was required to report back to the Legislature by December 31, 2016. We have not yet received the report, nor have we been briefed on the recommendations. The Executive proposed reprogramming $6 million (gross) in supplemental Medicaid ambulance funds based on the recommendations of the report.

In the absence of the Medicaid Ambulance Rate Adequacy report, I would request the rejection of the Executive’s budget proposal to eliminate supplemental Medicaid payments to ambulance providers. In addition, I would request funding to provide an additional $3 million in supplemental Medicaid reimbursement for ambulance services in the 2017-18 budget.

If you recall, a supplemental Medicaid rate increase for providers of ambulance services had been included in the state budget between 2005-2008. Due to the state’s fiscal crisis, it was removed in the 2009-10 budget and was not included in subsequent years until the 2014-15, 2015-16 and 2016-17 enacted state budgets, which all included a $3 million supplemental appropriation. I should note that the federal government has historically provided an additional $3 million in matching funds, for a total of $6 million in additional Medicaid reimbursement. The 2015-16 state budget annualized the ambulance supplement, with the rejection of the elimination and the additional $3 million in state funds with matching federal funds, the total ambulance supplement would be $12 million.

Medicaid reimbursement rates have continued to be inadequate, even when supplemental rate increases are provided. This is due to the fact that there is no uniform statewide reimbursement methodology for ambulance service providers. Each county has their own reimbursement methodology, resulting in rates that are as low as $105 for a trip that costs the ambulance service provider over $300 in urban areas and over $500 in rural areas.
Not only would additional funding be the right thing for ambulance service providers, it would also serve to ensure the viability of an industry that is central to the state’s ability to respond to disasters, both natural and man-made. Needless to say, private ambulance service providers have played, and with our support, will continue to play a pivotal role in the state’s overall level of disaster preparedness.

Sincerely,

JAMES L. SEWARD
State Senator

JLS:nb
Cc: Sen. Hannon
    Shawn MacKinnon
    Beth Garvey
    Tom Wickham