



June 2, 2023

U.S. Senator Ron Wyden, Chair
Senate Finance Committee
221 Dirksen Senate Office Building
Washington, DC 20510

U.S. Senator Mike Crapo, Ranking Member
Senate Finance Committee
239 Dirksen Senate Office Building
Washington, DC 20510

U.S. Representative Jason Smith, Chair
House Ways & Means Committee
1011 Longworth House Office Building
Washington, DC 20515

U.S. Representative Richard Neal, Ranking Member
House Ways & Means Committee
372 Cannon House Office Building
Washington, DC 20515

U.S. Representative Cathy McMorris Rodgers, Chair
House Energy & Commerce Committee
2188 Rayburn House Office Building
Washington, DC 20515

U.S. Representative Frank Pallone, Ranking Member
House Energy & Commerce Committee
2107 Rayburn House Office Building
Washington, DC 20515

Dear Honorable U.S. Senators and Representatives,

On behalf of the groups listed below, representing health care providers, advocates, and rural organizations, we are writing to share our concerns about the current Medicare reimbursement rate for emergency air medical services.

When the Centers for Medicare and Medicaid Services (CMS) established the ambulance fee schedule in 2002, CMS determined air ambulance rates based on an estimated 1998 cost pool, which set the base reimbursement rate well below the cost of providing services. Since then, only limited inflationary updates (sometimes decreases) have been

provided. The rate has never been re-assessed in 24 years. As a result, the existing rate is grossly outdated and does not reflect the current cost of providing an air medical transport. In fact, air ambulance providers today are reimbursed by Medicare at less than 50 percent of the actual cost of an emergency transport. This drastic under-reimbursement has a system-wide effect because Medicare beneficiaries now account for nearly 40 percent of all air medical transports, and this number continues to rise as an additional 10,000 individuals per day join Medicare.

The 2002 reimbursement rate is increasingly damaging with each passing year. Over the years, significant safety investments and technological advancements have been made on aircrafts, and operational costs are higher than ever due to shortages for essential personnel such as pilots, nurses, and mechanics, as well as unprecedented fuel costs. What's more, on February 16, 2023, the U.S. Department of Veterans Affairs issued a final rule cutting its reimbursement rate for emergency air medical services starting in 2024, threatening access to lifesaving flights and putting thousands of Veterans lives at risk.

Fortunately, in passing the No Surprises Act, Congress required CMS to collect transport cost data from the air medical industry, something we fully support. We urge you to communicate with CMS to ensure that the agency uses the forthcoming data to update the air ambulance fee schedule, so it reflects actual costs.

Getting the reimbursement level correct is a matter of life and death. Medicare's vast under-reimbursement rate will force bases to shut down, leaving millions of lives at risk. In rural communities, where hospital closures have already left millions of Americans far from care and more than 600 additional hospitals are at risk of closing, this issue poses significant threats to the health care outcomes of residents. Once a rural hospital closes, communities lose access to many important health resources and, in some cases, are forced to travel hours to the nearest medical facility. Emergency air ambulances provide individuals in these communities the ability to get higher level care within critical minutes— a service that may no longer be available if bases close, leaving them stranded with limited options for lifesaving care.

We cannot leave rural America and underserved communities behind. That is why we are calling on Congress to urge CMS to use cost data to update the air ambulance fee schedule. Millions of lives are depending on it.

Sincerely,

SOAR Campaign
Brain Injury Association of America
Consumer Action
Florida Chapter of the American Academy of Pediatrics
Florida Rural Health Association
National Grange
National Rural Health Association
Rural Minds