



August 14, 2017

## **Texas Medicaid Proposes Major Cuts to EMS Service Frequently Asked Questions**

### **What is the issue?**

The Texas Health and Human Services Commission (HHSC) has proposed dramatic cuts for ground ambulance payments made by the Texas Medicaid program by as much as 36 percent.

Advanced Life Support (ALS) would be cut from \$306 to \$247. Basic Life Support (BLS) would be cut from \$258 to \$157. Specialty care ambulance service would be cut from \$524 to \$347.

The new rates are proposed to go into effect on October 1, 2017.

### **How would the cuts affect public health and safety in Texas?**

The cuts would have a dramatic effect on both urban and rural communities.

EMS is not a free service. EMS agencies operate on tight margins and fund their service through several payment sources, including payments made by commercial and government health plans and local tax dollars. Many rural communities even utilize fundraisers to help fund EMS service.

EMS agencies are particularly sensitive to Medicaid cuts due to the fact that it is one of the lowest paying programs (Texas Medicaid pays approximately 67 percent of Medicare) and it serves as a large payment base for EMS agencies (Medicaid makes up 20 percent of the payment mix in many urban areas and 30 percent in many rural areas).

If the cuts were to go into effect, many EMS agencies would have to choose to address the revenue loss by either raising taxes to continue offering the same level of service or cut some services.

Jonathan Sell, the director of Booker County EMS and the president of the Texas EMS Alliance, made the following statement at HHSC's August 8, 2017 hearing on the rate proposal:

"I will transport 911 patients, in spite of these cut. I will not continue to transport interfacility transports to get these patients to where they really need to go. This will be the detrimental cost of Medicaid cuts to Medicaid clients because they will not be able to get to where they need to go because ambulance services such as mine can't take any more of these losses."

### **When would the cuts take effect?**

The cut would take effect Oct. 1, 2017. The fiscal year for most agencies ends on September 30. As a result, EMS agencies not even have time to adjust their budgets to account for the proposed cuts.

### **How would the proposed cuts affect hospitals?**

EMS service is operated by hospitals in many rural areas. The proposed cuts would force hospitals to divert money from other critical needs to subsidize EMS.

In addition, the local 911 service is often the health care provider available to Texans who live in rural communities that have experienced recent hospital closures. And for those rural communities that do have hospitals, the local EMS agency is often needed to provide timely transports to larger hospitals for more specialized and timely care.

### **How did the HHSC develop the proposed cuts?**

In an August 10, 2017 response to Texas senators, HHSC indicated: “The proposed reimbursement rates are based on the median reimbursement rate of other Medicaid states.”

Unfortunately, the methodology of relying on the median reimbursement of other states is flawed. Other states, such as California, New York, and Illinois, do not provide an accurate comparison to the population, geography, and other factors that affect the cost of providing ground ambulance service in Texas. For example, with the exception of Alaska, no other state has a greater rural demographic than Texas. In addition, the methodology does not factor in the quality of patient care and the outcomes in Texas, which are much higher than those in the states used for comparison. In the other states, lower reimbursement rates are in effect due to the lower quality of EMS care in those states.

### **What is being done to fight the cuts?**

Over 70 state lawmakers have expressed concern to HHSC. Letters signed by 22 state senators and 50 state representatives urged HHSC to abandon the proposed cuts. In addition, several state lawmakers have held meetings with HHSC officials.

Six groups -- the Texas EMS Alliance, the Texas Association of Counties, the Texas Hospital Association, the Texas Organization of Rural & Community Hospitals, the Texas State Association of Fire Fighters and the Texas Ambulance Association -- are working together to spread the word of the proposed cuts.

Leaders from the Texas EMS Alliance are working with HHSC officials to educate them on the EMS delivery model in Texas and demonstrate why large cuts are a threat to the public safety of Texans.

### **How can Texans help?**

The Texas EMS Alliance is encouraging all EMS agencies to voice their concern to HHSC, state lawmakers, and the governor. HHSC can be reached by email at [RADAcuteCare@hhsc.state.tx.us](mailto:RADAcuteCare@hhsc.state.tx.us), or by mail:

Texas HHSC  
4900 N. Lamar Blvd.  
Austin, Texas 78751-2316

### ***About the Texas EMS Alliance***

The Texas EMS Alliance was founded by EMS leaders from across the state of Texas to create a united voice that represents all types of EMS agencies in Texas. Visit [www.txemsa.com](http://www.txemsa.com) to learn more.

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