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Senate Finance
Co-Chair Sen. Anna MacKinnon
Alaska State Capitol Building – Room 516
Juneau, Alaska

RE: HB 176 – An Act relating to medical assistance reimbursement for emergency medical transportation services; and providing for an effective date.

Dear Senate Finance Members,

Thank you for the opportunity to comment on this very helpful piece of legislation. The Alaska Municipal League supports this bill and very much hope that it can be passed this session so as to allow municipal EMS services/fire departments to be able to recoup some the funds previously lost.

Municipal EMS providers and fire departments must set rates for all EMS calls. Most departments set the rates very close to what the insurance companies will pay. The municipality then sends the bill to the patient's insurance company (for hypothetically \$1,000.00). The insurance company usually pays 80% or \$800.00 and the remainder of 20% (200.00) is billed to the patient. Medicare and Medicaid, by law, receive the same \$1,000.00 bill (if they are the patient's insurer), but unlike the private company, pay only \$450.00 of that bill. By law, the remainder (\$550.00) cannot be billed back to the patient and thus, the municipal responder (EMS/Fire department) absorbs that as lost revenue or bad debt. As the number of Medicaid patients increase, the amount of money written off also increases. There are also additional expenses to provide EMS services that cannot be passed on to the patient, such as maintenance, garage facility costs, medical equipment costs, etc., as these additional costs would make any and all ambulance calls would be totally unaffordable. All of these expenses (maintenance and bad debt) are currently funded by local tax dollars. This bill would allow fire departments and EMS responders that are not private companies, to enter into negotiations with the federal government to identify reimbursement costs on Medicare and Medicaid patients.

Administrative fees would also be reimbursed under this federal program, thus alleviating any expenses being borne by the State. This bill would surely help municipalities and municipal fire departments to not see their responder budgets sink farther and farther under water.

Sincerely,

Kathie Wasserman