I’m writing to bring an important issue affecting EMS services statewide to your attention. The Illinois Department of Healthcare and Family Services (HFS) has implemented emergency rules, effective July 1, 2015 to make a $13.8 million cut to ambulance reimbursement rates which impacts EMS providers (including first responders, nonprofits, local governments, volunteer, and small businesses) throughout the state. This rule was implemented without any opportunity for public comment or to analyze the impact this rate cut will have on access and public safety. Per HFS, this rate cut is necessary to manage funds due to the lack of a fiscal year 2016 state budget, however, the budget passed in June by the General Assembly (and subsequently vetoed by the Governor) provided the necessary funding to stabilize ambulance rates and we are hopeful that when a budget is agreed upon between the General Assembly and the Governor, these rates will continue to be stabilized.

How you can help
Please consider sending the attached letter to HFS to let them know you oppose this rate cut and would like a public hearing on the issue. This letter needs to be sent as soon as possible, BUT NO LATER than August 6, 2015.

HFS has filed both emergency and proposed rules reducing ambulance reimbursement rates. The emergency rules are retroactively effective starting July 1, 2015. The proposed rule is only effective after a public comment period and the Joint Committee on Administrative Rules (JCAR) approves them. With enough public support we hope to stop these rate reductions in their tracks before they severely harm the public’s access to EMS services.

In addition to sending the hearing request letter, you can also send formal comments on the impact these rate cuts will have on your services. When formal written comments are made on a proposed rule, HFS must respond and justify the proposed change to JCAR. Draft comments are available upon request.

Why Rate Stabilization is Necessary

As you know, the costs involved in the operation of ambulance services have climbed dramatically with costs outpacing inflation over the last decade. During this same period, Medicaid ambulance reimbursement rates have remained substantially below cost. These payment rates were increased by 5% in 2001 and subsequently cut by 6% in 2002. Rates were frozen from 2002 until 2012 when rates were cut another 2.7% under the SMART Act. In 2013 Medicaid ambulance rates received a desperately needed increase ($13.8 million - $6.9 state of IL funds and $6.9 federal funds) which increased mileage and base rates throughout the state and now HFS is trying to eliminate this increase which will result in reimbursement at rates lower that what was being paid in 2000. While ambulance rates were frozen for 10 years, other Medicaid providers (including providers who can choose NOT to treat Medicaid patients) received
significant increases. Since 2012 nursing homes and hospitals have received over $800 million dollars in additional funding.

### Impact of Proposed FY 2016 Rate Cut

<table>
<thead>
<tr>
<th></th>
<th>Before Cut</th>
<th>After cut</th>
<th>% Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Urban - 7 miles</td>
<td>$209.74</td>
<td>$168.90</td>
<td>-19.5%</td>
</tr>
<tr>
<td>Average Rural - 20 miles</td>
<td>$274.74</td>
<td>$193.29</td>
<td>-29.6%</td>
</tr>
<tr>
<td>ALS trip Urban - 7 miles</td>
<td>$138.59</td>
<td>$99.67</td>
<td>-28.1%</td>
</tr>
<tr>
<td>ALS trip Rural - 20 miles</td>
<td>$203.59</td>
<td>$124.06</td>
<td>-39.1%</td>
</tr>
</tbody>
</table>

### Impact to Local Government

HFS notes in their rule filing that this cut will NOT impact local governments. This is a false! As you know, every municipal fire department, fire protection district, and county-based EMS system bills HFS for ambulance transports provided to Medicaid patients and these funds are used to cover costs to provide EMS.

### Resources

1. Proposed and Emergency Rule filings (pages 10332 and 10427); [http://www2.illinois.gov/hfs/SiteCollectionDocuments/FY16_AmbulanceFeeSchedule%207.13.15.pdf](http://www2.illinois.gov/hfs/SiteCollectionDocuments/FY16_AmbulanceFeeSchedule%207.13.15.pdf)
3. A sample letter to HFS requesting a public hearing on ambulance reimbursement rates (Attachment)

Emails should be sent to HFS General Counsel, Mollie Zito at: HFS.Rules@illinois.gov and cc’d to JCAR staff, Elaine Spencer at: elaines@ilga.gov. Please follow up your email with a mailed letter to Mollie Zito as well.

Thank you for your attention to this very important issue. If you have any questions about this issue, please contact me at MPadula@paramedicbilling.com.