

Ground ambulance balance billing study

Executive summary

Key Takeaways:

- Consumers' average potential ground ambulance balance bill is more than \$500 for emergency services and \$1,000 for non-emergency services. This is the only emergency service for which consumers are at risk of balance billing.
- Public and private ground ambulance providers partner to provide care. Public providers respond to emergency 911 dispatches and private providers often provide transport.
- Ground ambulance providers contend that balance billing is used to cover some of the disparities between cost and payment for Apple Health and Medicare patients and for services that are not reimbursed.

Types of ground ambulance providers in Washington state

Private Providers: Privately owned ambulance agencies. Their primary duty is providing emergency and interfacility transports.

Public Providers: Publicly owned agencies. Their primary duty is to respond to 911 dispatches. They may also provide emergency transports and limited interfacility transports.

There are 478 licensed ambulance agencies in Washington state: 404 are public, 68 are private, and 6 are Tribal. There is a massive variance in their size and structure, which has a direct impact on their capacity to contract with, and appropriately bill, commercial health plans.

Key services provided by EMS agencies

- **Dispatch:** Dispatching aid or ambulance services to respond to emergency (911) or non-emergency calls.
- **Assess:** An on-site assessment of a patient's health condition by trained personnel.
- **Treat & refer to services:** A patient is treated on-site and referred to secondary sites for additional care (physician care, behavioral health treatment, etc.).
- **Transport to emergency department:** Only licensed or verified ambulance services staffed by certified EMS providers can provide this transport.
- **Transport to alternative sites:** EMS services can transport patients to alternative sites directly from an emergency scene, or an interfacility transport for patients can be scheduled in advance.

Current funding structure for EMS agencies

EMS providers rely on a variety of funding sources:

1. **Third-party payors — commercial health insurance, Medicare, and Apple Health:**
 - *Medicare*: Fixed rate set by the federal Medicare program.
 - *Apple Health (Medicaid)*: Fixed rate set by the Health Care Authority; supplemented through the Ground Emergency Medical Transport (GEMT) Program for public providers and Quality Assurance Fee (QAF) Program for private providers.
 - *Commercial*: A more reliable funding source for EMS providers, though it represents a relatively small percentage of consumers receiving these services.
2. **Levy funding:** Per [RCW 84.52.069](#), local governments can impose a property tax levy of no more than 50 cents per \$1,000 of assessed property value for emergency services. The funding can only support publicly operated EMS providers.
 - *1% limitation*: All levies are subject to a 1% limit. The levy revenue cannot increase more than 1% annually.
3. **Utility:** [RCW 35.21.766](#) allows local governments to create a fee structure to fund ambulance transport services.
4. **Local government general funds:** [RCW 35.27.370](#) and [RCW 36.32.480](#) authorize cities to use public funds to share ambulance services between municipalities.

Key issues to address to eliminate balance billing

- ❖ Perceived underpayment by Apple Health and Medicare fixed rates.
- ❖ Levy and utility payments are not sufficient to cover the full cost of ambulance services.
- ❖ Consideration of current services that are not compensated (e.g., treat, but no transport).

Policy recommendations

Prohibit balance billing of consumers

- Apply to emergency and non-emergency transports
- Apply to public and private providers

The study advisory group members agreed with this recommendation. Several members also linked this to the recommendation below regarding ground ambulance rates. The burden of ground ambulance costs should not be placed on consumers enrolled in commercial health plans. The comments on this policy option focused mainly on finding alternative revenue sources for ground ambulance providers to maintain the viability of their operations. There was also concern that by banning balance billing, the cost of services could be shifted elsewhere, such as increased premiums or cost-sharing.

Reimburse ground ambulance services at a local jurisdiction's fixed rate or, if no local rate exists, at the lesser of a fixed percentage of Medicare or billed charges

- Apply to emergency transports

- Apply to public and private providers

Adopted by Arkansas, Louisiana, and Texas, this is one of the most prevalent approaches to setting ground ambulance service rates. Reimbursement is set at the applicable local jurisdiction's fixed rate or, if no local rate has been set, then at the lesser of a fixed percentage of what Medicare would pay for the service or billed charges.

This specific solution drew moderate support from the advisory group but was directly tied to two other related policy options that received high rankings. OIC's Washington State All Payer Claims Database analysis showed substantial disparity between billed charges and allowed amounts of public versus private ground ambulance providers. This is likely because public providers base their billed charges on locally set rates and have access to public funding to support their services. Given the complexity of this policy recommendation some important considerations include:

- Allowed amounts as a percentage of Medicare for BLS emergency transports (A0429), the most commonly billed CPT code, ranged from 172% to 327% of Medicare. For the second most common code, ALS emergency transport level 1 (A0427), the range was 186% to 340%. It is recommended that the fixed percentage of Medicare fall between the ranges for these codes and be set in statute by the legislature, accompanied by the review mechanism detailed below.
- The fixed percentage of Medicare should be applied only to claims for emergency services. Given the variability in billed charges and the allowed amounts as a percentage of Medicare for non-emergency services (from 350% to over 600% of Medicare, due in part to a smaller number of paid claims), setting a fixed percentage may be premature. If legislation does not set a fixed rate for these services, further study can be undertaken for a report to the legislature in 2026.
- A review mechanism should be established to assess the appropriate percentage of Medicare rate at regular intervals. This feature drew strong support. The OIC would conduct the review, which would take place in 2027 for the 2028 legislature's consideration or if Medicare makes a substantial update to their ground ambulance reimbursement rates, whichever occurs earlier.
- An additional review mechanism should be established to assess whether local jurisdiction's ground ambulance rates are reasonable and fair. Consumer advocates made this recommendation per the suggestion of Loren Adler, who is a member of the [federal GAPB advisory committee](#). The OIC would conduct the review, which would take place in 2027 for the 2028 legislature's consideration. It would take place in conjunction with the review of the appropriateness of the percentage of Medicare rate.

Mandate coverage for emergency transportation to alternative sites

- Apply to emergency transports
- Apply to both public and private providers
- Alternative sites are behavioral health emergency services providers, including crisis stabilization facilities, evaluation and treatment facilities, medical withdrawal management facilities and other crisis providers as defined in [RCW 48.43.005](#).

In 2022, the legislature expanded required coverage of emergency services by commercial health plans to include behavioral health crisis services. This expansion reflected the understanding that a hospital emergency room often is not the most appropriate place for someone experiencing a behavioral health crisis. More appropriate care could be provided by a dedicated behavioral health

crisis service provider. To fully effectuate the intent of the law, commercial health plans also should cover emergency ground ambulance transport to these facilities.

Key findings

These findings were identified as important issues by various advisory group members and are included as findings that merit further review and study.

Uncompensated ground ambulance services

- Treat, but no transport: Emergency responses that do not result in a patient being transported to an emergency department of a hospital.

As repeatedly stated by all interested parties, when someone calls 911 it should be a *free call*. If treat but no transport services are covered by commercial health plans, there is a question as to whether the service should be provided without being subject to a consumer's deductible or other cost-sharing. Requiring cost-sharing could disincentivize consumers from calling 911.

Coverage of treat but no transport services could potentially result in fewer transports to hospital emergency departments, saving health carriers the expense of an emergency room visit. Given these uncertain impacts, OIC should contract for an actuarial analysis of the cost and cost offsets of covering treat but no transport services and submit its findings to the 2026 Legislature.

Maintain public funding for public and private providers for Apple Health (Medicaid) ground ambulance services

- Maintain Apple Health (Medicaid) GEMT program funding
- Maintain Apple Health (Medicaid) QAF program funding

These programs were identified as essential funding that helps to cover the cost of care and transportation for Apple Health (Medicaid) patients. Ground ambulance providers rely on this funding to reduce or alleviate the disparity between Apple Health (Medicaid) payments and the cost of services. Both programs have recently been extended or renewed.

Future study of EMS as an essential health service provided by local and state governments and funded by federal, state, and/or local funds

- Strongly supported by advisory group members, including DOH who administers the EMS system in Washington
- Outside the scope of this study

Advisory group members agreed that given the number and complexity of EMS agencies in Washington state and the critical role that they play, a comprehensive study of the entire EMS system should be undertaken. The last such review was completed in 2010 when the Statewide Trauma Care System ([Chapter 70.168](#)) law was updated to include the Center for Disease Control (CDC) recommendations for cardiac and stroke care. It is strongly recommended that this study be conducted with the specific goal of assessing whether the EMS systems in Washington should be considered and funded as an essential public health service, similar to fire and police responses.