



**MEDICAID AMBULETTE
RATE REVIEW REPORT
2022**

MEDICAID AMBULANCE RATE REVIEW REPORT

Introduction

Chapter 632 of the Laws of 2021, signed into Law on November 22, 2021, requires the Commissioner of Health to “review the rates of reimbursement made through the Medicaid program for ambulette transportation for rate adequacy” and to “report the findings of the review to the President of the Senate and the Speaker of the Assembly within one year after this section shall have become a law.”

Rate Review Methodology

In response to the statutory requirement for an ambulette Medicaid rate review¹, the Department of Health’s (DOH) Office of Health Insurance Programs (OHIP) conducted a survey of Medicaid enrolled ambulette providers. The survey was intended to profile the industry’s cost of providing transport and compare it to the current Medicaid reimbursement levels.

DOH contracted with United Hospital Fund (UHF)² to provide support and assistance with this rate review. UHF’s Medicaid Institute, established in 2005, has provided information and analyses regarding New York’s Medicaid program under a contract with OHIP. By leveraging the UHF contract, OHIP was able to assure ambulette providers that privacy and confidentiality could be maintained through de-identified data analysis and independent communication with ambulette providers. The idea was that this would increase participation and accuracy of survey responses among the ambulette providers. UHF’s role was to collect responses and report aggregated findings to the DOH for review and consideration.

The Department’s Transportation Managers reached out to all ambulette providers and alerted these providers to anticipate receiving a cost reporting survey from UHF. This communication also explained that UHF was working at the Department’s request, to assist NYSDOH in its statutory mandate “to review the rates of reimbursement made through the Medicaid program for ambulette transportation for rate adequacy.”

UHF distributed a survey (please see Attachment A), developed by OHIP, to all enrolled Medicaid ambulette providers. Contact information for ambulette providers was sourced from the Department’s contracted transportation managers. The OHIP survey solicited line-item expense data, as well as trip information, to determine providers’ average costs of providing ambulette transports. The survey collected information on costs associated with providing ambulette trips during the analysis period, January 2021–December 2021.

UHF conducted an extensive outreach effort to all ambulette providers from March to July 2022. This outreach included weekly reminder emails and specific phone calls and targeted emails to individual ambulette providers to answer questions about the survey. Out of 247 providers billing Medicaid for ambulette services in 2021, UHF was unable to reach 3 due to outdated contact information. Of the 244 remaining ambulette providers, there were 79 (32%) unique responses to the UHF survey. Out of the 79 responses received, 66 surveys were

¹ The terms “rate(s)” and “fee(s)” are used interchangeably in this report.

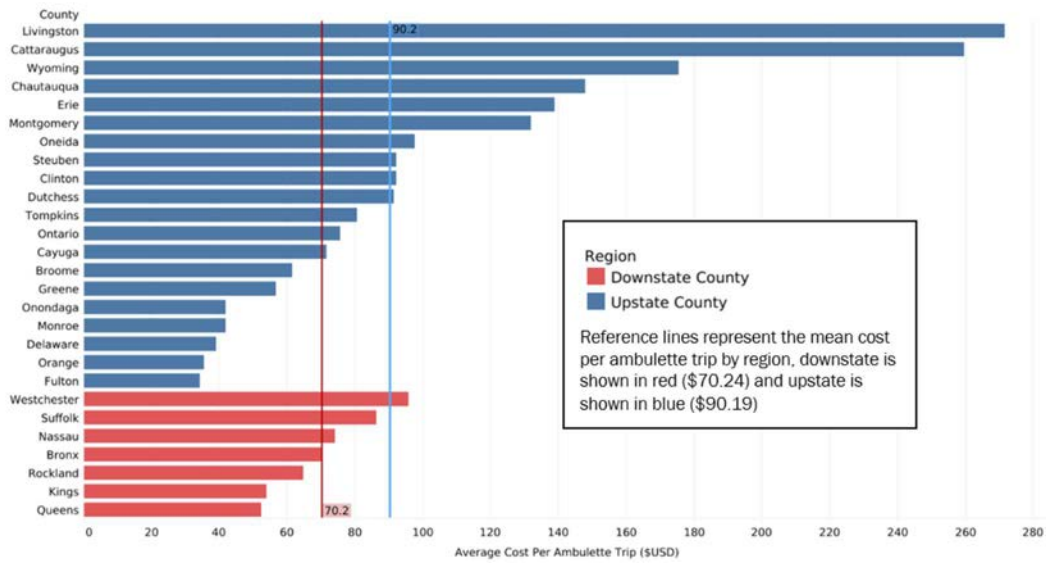
² UHF is an independent nonprofit organization that works to build an effective and equitable health care system for every New Yorker.

complete (27% response rate).

Due to the low (27%) response rate, this study is inherently flawed and therefore, OHIP is unable to draw conclusions about rate adequacy. In addition, there are other limitations and deficiencies in using the data that was collected as follows:

- Of the 27% of ambulette providers that completed the survey, there was not a representative sampling across the state. No data was reported from ambulette providers in more than half of the state's counties.
- There may be non-response bias, with providers not completing the survey because their reimbursement is adequate. The findings among those that completed the survey are not generalizable to the entire provider population.
- All information was self-reported and not subject to independent review.
- Some line items in the cost reports submitted, although legitimate business expenses, are not necessary for the provision of services and should be considered non-allowable costs for the purposes of this exercise. A few examples of these cost categories include government relations (lobbyists), travel & conferences, legal, accounting, consulting services, advertising, employee social functions, and other outsourced services (not specified). UHF estimates that in aggregate these line-items represent 11% of a provider's total self-reported cost.
- Operating costs were averaged and categorized by UHF: 55% of operating costs were related to personnel; 10% were for vehicles; 6% were for fuel; 9% were for insurance, 9% were for building costs; and 11% were for non-essential costs (detailed above).
- As shown in Figure 1 (below), there was wide disparity in the reported costs by county with outliers skewing the final average. This wide disparity may indicate errors in reporting such as:
 - The self-reported cost of providing an ambulette trip in Livingston County was approximately 692% more than in Fulton County.
 - The reported per trip expense in Livingston County is significantly more than Medicaid would pay for an advanced life support ambulance trip (\$225.05); the most expensive mode of ground Non-Emergency Medical Transportation (NEMT).

Figure 1 – Average Cost per Ambulette Trip by County represented in USD (2021)³



Results

Despite the lack of confidence in the study and the problems with making comprehensive findings, DOH is nonetheless providing its analysis of the data collected from 66 providers as follows:

- The self-reported statewide average cost of providing an ambulette trip was \$79.61 (\$70.24 downstate and \$90.19 upstate) with notable disparity observed within the range.
- Costs should be reduced by at least 11% for those self-reported costs that represent non-allowable costs. This would bring costs to a statewide average cost per trip of \$70.85. (\$62.51 downstate and \$80.27 upstate).
- The statewide average payment to ambulette providers per trip during calendar year 2021 was \$46.78 (\$44.26 downstate and \$48.47 upstate).⁴

Discussion and Conclusion

Given the poor participation rate (27%) and resulting inability to draw any meaningful conclusions as to rate adequacy, the DOH recommends against implementing a global rate increase at this time. Trying to address rate adequacy without sufficient data is unreasonable and counter to the underlying responsibility of ensuring cost-effective reimbursement. Further, to do it at this point is premature with significant changes to the Medicaid Transportation Program coming with transition to a broker-based model in the near future.

³ Average costs presented in Figure 1 do not reflect or include trip volume; the presented averages are not weighted.

⁴ see attachment B

Once DOH completes the competitive procurement to select one or more Transportation Brokers, as required by Social Services Law 365-h(4)(b)(please see attachment C), the selected Transportation Broker(s) will be responsible for developing and maintaining a network of responsible transportation providers, enforcing performance standards, and establishing rates that ensure consistent access to high quality non-emergency medical transportation services, including negotiating reimbursement fees directly with network transportation providers.

In consideration thereof, and of the findings expressed herein, it is the recommendation of DOH that no permanent global adjustments be made to Medicaid ambulette reimbursement rates at this time, but that the findings of this report be shared with the incoming Transportation Broker(s) for their use in developing adequate rates within their network. Further, in recognition of some of the recent economic challenges faced by the ambulette industry, DOH has implemented some temporary measures detailed below.

Other Initiatives, Considerations and Policy Changes

While not related to the adequacy study, nor considered by UHF in their data collection, it is important to highlight some actions DOH has recently taken related to NEMT rates.

To bridge reimbursement gaps caused by rising inflation and other matters outside the control of providers in 2022, Medicaid's ambulette reimbursement was temporarily increased through two initiatives: In May 2022, a per-mile fuel add-on was applied to all trips to acknowledge the rising cost of fuel. In June 2022, an additional ambulette-specific add-on was created to help cover provider costs related to increasing personnel and insurance costs. Additionally, to address the rising cost of insurance which is often cited by ambulette providers and associations as a significant financial hurdle, the DOH proposes to investigate causes of rising insurance costs with the NYS Department of Financial Services and identify any possible avenues for cost reductions.

Finally, DOH recommends two policy changes that will have a fiscal impact on ambulette providers. In reviewing access challenges related to ambulance transports and transports to Adult Day Health Care (ADHC), the DOH proposes to reduce these challenges through two changes: A new stretcher fee for ambulette services, above current ambulette wheelchair rates, will be established in twelve counties where a stretcher rate does not currently exist, and to ensure consistency, the existing stretcher rate will be increased in several other counties. Through this policy change, the burden on ambulance providers will be reduced, ambulette providers will see increased revenue and access will be improved for members needing stretcher transport. Additionally, the previously established rate for ADHC transports (which is below non-ADHC ambulette rates) will be removed. Ambulette providers transporting members to ADHCs will now be reimbursed at the medically appropriate ambulette base rate. Through this policy change, ambulette providers will see increased revenue and members' access to ADHC services will improve.

Attachment A



Improving Health Care
for Every New Yorker

Reporting Period: January 1 - December 31, 2021

Please complete all applicable fields accurately and completely. It will take about 10 minutes to complete.

1. Service Name

2. Personnel Costs

Payroll	<input type="text"/>
Staff Leasing	<input type="text"/>
Employee Health Insurance	<input type="text"/>
NYS Worker's Compensation Insurance	<input type="text"/>
NYS Disability Insurance	<input type="text"/>
NYS Unemployment Insurance	<input type="text"/>
Employer's Contribution of FICA	<input type="text"/>
Retirement Contributions	<input type="text"/>
Uniforms/Laundry Expense	<input type="text"/>
Physicals/Screenings/Background Checks	<input type="text"/>
Education, Training & Tuition	<input type="text"/>
Employee Social Functions	<input type="text"/>
Other Personnel Expenses	<input type="text"/>

3. Ambulettes & Vehicles:

Maintenance & Repair	<input type="text"/>
Fuel	<input type="text"/>
Depreciation	<input type="text"/>
Lease Payments (if not owned)	<input type="text"/>
Other Vehicle Expenses	<input type="text"/>

4. Insurance

Auto	<input type="text"/>
General Liability	<input type="text"/>
Professional Liability	<input type="text"/>
Property & Contents	<input type="text"/>
Other Insurance Expenses	<input type="text"/>

5. Buildings

Rent or Mortgage	<input type="text"/>
Property Taxes	<input type="text"/>
Energy- Electric/Gas/Propane/ Oil	<input type="text"/>
Telephone	<input type="text"/>
Cable (or equivalent)	<input type="text"/>
Water/Sewer	<input type="text"/>
Maintenance & Repair	<input type="text"/>
Other Building Expenses	<input type="text"/>

6. Professional Fees

Billing & Collection Services

Accounting

Legal

Consulting Service

Government Relations

Other Outsourced Services

Other Professional Fees

7. Other Expenses

Durable Equipment Depreciation

Equipment Maintenance & Repair

Technology Services (computers, etc.)

Other Supplies (building, office, etc.)

Other Lease Expenses

Other Depreciation Expenses

Bank Fees/Interest

Credit Card Fees/Interest

Travel & Conferences

Licenses & Dues

Contributions & Donations

Advertising

Other expenses (specify)

Other expenses (specify)

Other expenses (specify)

Other expenses (specify)

8. Total Operating Costs

9. Total number of Patient Trips - ALL Payors

10. Breakdown by trip type (total number of each type)

Stretcher Trips

Wheelchair Trips

Ambulatory Trips

*** 11. Certification**

I certify that the information is true and correct to the best of my knowledge and belief.

Yes. By selecting yes, you certify that the information is true and correct.

*** 12. Acknowledgement**

I understand that knowingly and willfully making a false statement or misrepresentation could result in legal prosecution, participation denial, or contract termination.

Yes. By selecting yes, you acknowledge and understand the consequences of making a false statement or misrepresentation.

13. Name of person certifying on behalf of service provider

14. Title of person certifying on behalf of service provider

15. E-mail address of person certifying on behalf of service provider

Attachment B

County	Transportation Spend	Spend PMPM	Trips	Spend per Trip	Miles	Miles per Trip	YEAR
ALBANY	\$2,502,342	\$1.87	44,312	\$56	304,065	7.3	2021
ALLEGANY	\$147,017	\$0.92	1,779	\$83	43,275	26.3	2021
BROOME	\$1,133,401	\$1.52	23,857	\$48	157,981	6.7	2021
CATTARAUGUS	\$590,844	\$2.02	7,860	\$75	147,570	19.8	2021
CAYUGA	\$392,499	\$1.55	7,849	\$50	61,087	9.0	2021
CHAUTAUQUA	\$342,082	\$0.42	5,265	\$65	87,771	30.1	2021
CHEMUNG	\$315,758	\$0.97	5,736	\$55	60,855	10.6	2021
CHENANGO	\$288,463	\$1.51	3,266	\$88	59,570	19.3	2021
CLINTON	\$1,058,836	\$2.48	18,529	\$57	156,061	8.5	2021
COLUMBIA	\$327,014	\$1.25	4,664	\$70	51,045	11.8	2021
CORTLAND	\$342,524	\$2.12	5,785	\$59	52,967	9.2	2021
DELAWARE	\$482,547	\$3.15	3,361	\$144	105,847	33.0	2021
DUTCHESS	\$2,316,042	\$1.74	39,834	\$58	386,581	10.1	2021
ERIE	\$4,875,816	\$1.48	110,759	\$44	730,141	7.7	2021
ESSEX	\$391,468	\$2.13	2,319	\$169	68,766	34.3	2021
ROCKLAND	\$2,119,149	\$1.19	40,534	\$52	285,428	7.3	2021
FRANKLIN	\$919,874	\$4.96	14,679	\$63	145,243	10.1	2021
FULTON	\$690,738	\$1.78	9,506	\$73	111,094	12.0	2021
GENESEE	\$134,024	\$0.60	1,547	\$87	25,119	20.9	2021
GREENE	\$468,292	\$2.22	6,465	\$72	90,723	14.8	2021
HAMILTON	\$92,944	\$4.56	214	\$434	937	17.0	2021
HERKIMER	\$305,109	\$0.84	4,014	\$76	50,165	13.0	2021
JEFFERSON	\$1,022,489	\$2.53	17,161	\$60	146,969	8.7	2021
WESTCHESTER	\$6,035,441	\$1.56	133,847	\$45	602,112	6.2	2021
Region Total	\$17,096,491	\$1.25	401,237	\$43	1,427,821	8.6	2021
LEWIS	\$168,598	\$1.79	1,822	\$93	39,456	21.8	2021
LIVINGSTON	\$239,930	\$1.29	2,833	\$85	65,052	25.0	2021
MADISON	\$284,230	\$1.47	3,409	\$83	40,077	12.8	2021
MONROE	\$5,841,636	\$1.97	116,078	\$50	815,569	7.7	2021
MONTGOMERY	\$746,879	\$1.96	10,688	\$70	123,880	11.7	2021
NEW YORK (MANHATTAN)	\$7,298,986	\$1.22	190,708	\$38	69,390	3.0	2021
NIAGARA	\$1,328,449	\$1.83	27,265	\$49	255,717	10.3	2021
ONEIDA	\$1,795,554	\$1.88	22,864	\$79	257,379	13.7	2021

ONONDAGA	\$3,175,574	\$1.95	68,198	\$47	418,172	6.3	2021
Region Total	\$59,076,339	\$1.76	1,380,810	\$43	2,488,781	7.5	2021
BRONX	\$12,998,365	\$1.15	302,521	\$43	194,247	3.9	2021
ONTARIO	\$364,401	\$1.18	7,385	\$49	74,612	10.2	2021
ORANGE	\$3,209,619	\$1.36	51,167	\$63	441,310	11.0	2021
ORLEANS	\$79,370	\$0.55	736	\$108	16,841	29.2	2021
KINGS (BROOKLYN)	\$35,933,740	\$2.25	897,479	\$40	573,462	5.1	2021
OSWEGO	\$542,443	\$1.22	8,020	\$68	122,886	16.4	2021
OTSEGO	\$338,423	\$1.88	3,884	\$87	69,712	18.2	2021
PUTNAM	\$245,282	\$1.14	4,107	\$60	44,874	11.7	2021
RENSSELAER	\$1,516,061	\$2.15	24,168	\$63	242,456	10.4	2021
RICHMOND (STATEN ISLAND)	\$2,238,509	\$1.07	54,367	\$41	32,198	3.9	2021
SAINT LAWRENCE	\$1,222,557	\$3.31	13,740	\$89	254,735	18.7	2021
SARATOGA	\$1,054,056	\$1.26	12,394	\$85	128,193	11.5	2021
SCHENECTADY	\$1,463,955	\$1.36	34,252	\$43	170,477	6.9	2021
SCHOHARIE	\$274,671	\$2.00	2,372	\$116	62,865	26.9	2021
SCHUYLER	\$46,592	\$0.73	721	\$65	11,214	15.6	2021
SENECA	\$157,353	\$1.48	2,071	\$76	38,752	19.4	2021
STEUBEN	\$397,115	\$1.14	5,382	\$74	99,468	18.9	2021
SULLIVAN	\$472,207	\$0.77	7,277	\$65	98,353	14.4	2021
TIOGA	\$189,120	\$1.08	3,201	\$59	42,516	13.3	2021
Region Total	\$51,935,974	\$2.18	1,021,200	\$51	3,476,397	7.4	2021
TOMPKINS	\$175,498	\$0.77	3,643	\$48	29,181	8.4	2021
ULSTER	\$992,263	\$0.99	17,297	\$57	220,450	13.2	2021
WARREN	\$456,354	\$1.32	4,804	\$95	42,911	11.0	2021
WASHINGTON	\$351,020	\$0.94	3,194	\$110	38,184	14.9	2021
WAYNE	\$512,440	\$1.75	8,296	\$62	114,375	16.0	2021
WYOMING	\$140,765	\$1.34	1,686	\$83	36,639	23.0	2021
NASSAU	\$8,999,393	\$2.35	152,272	\$59	719,071	6.2	2021
QUEENS	\$27,068,431	\$2.02	631,264	\$43	687,677	4.9	2021
YATES	\$28,938	\$0.39	364	\$79	7,426	20.5	2021
SUFFOLK	\$11,077,743	\$2.33	167,505	\$66	1,276,083	8.7	2021
Region Total	\$2,389,562	\$1.73	44,902	\$53	191,840	7.5	2021
NEW YORK FISCAL- OTHER RESIDENTIAL	\$1,848,189	\$1.47	32,870	\$56	120,938	6.9	2021

NYS OMH	\$305,111	\$7.35	7,529	\$41	37,347	8.0	2021
NYS OMR	\$236,261	\$2.94	4,503	\$52	33,555	10.0	2021
Region Total	\$28,051		689	\$41	1,496	5.3	2021
Unavailable	\$28,051		689	\$41	1,496	5.3	2021

All Counties - Average Fee Per Trip Leg	\$293,665,263	6,277,005	\$	46.78
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Downstate Average - Per Trip Leg	\$ 113,769,756.18	2,570,497	\$	44.26
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Upstate Average - Per Trip Leg	\$ 178,047,317.30	3,673,638	\$	48.47
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Attachment C

Chapter 55 of the Laws of 2020, NYS Social Services Law (SOS) Chapter 55, Article 5, Title 11, Section 365-H, provision and reimbursement of transportation, states, in part:

“Subject to federal financial participation, for periods on and after April first, two thousand twenty-one, in order to more cost-effectively provide non-emergency transportation to Medicaid beneficiaries who need access to medical care and services, the commissioner is authorized to contract with one or more transportation management brokers to manage such transportation on a statewide or regional basis, as determined by the commissioner, in accordance with the federal social security act as follows:”

“The transportation management broker or brokers shall be selected through a competitive bidding process based on an evaluation of the broker's experience, performance, references, resources, qualifications and costs; provided, however, that the department's selection process shall be memorialized in a procurement record as defined in section one hundred sixty-three of the state finance law;”

Full text: <https://www.nysenate.gov/legislation/laws/SOS/365-H>