



**CALIFORNIA
AMBULANCE
ASSOCIATION**

Policy Briefs

**{ *CAA Position Statements on Issues
Affecting California's EMS Systems* }**



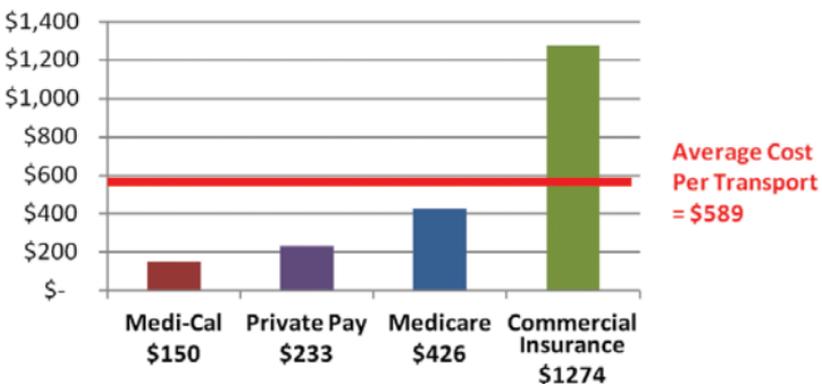
Charity Care & Uncompensated Care

Ambulance services experience significant levels of uncompensated care including charity care provided to the uninsured and below-cost reimbursement from Medi-Cal, Medicare and other government insurers. In California, the estimated total annual expenditures for ground ambulance services is approximately \$2 billion. Statewide, public and private providers annually deliver:

- Over \$320 million in charity care to the uninsured
- Over \$165 million in uncompensated care to Medi-Cal beneficiaries
- Over \$20 million in uncompensated care to Medicare beneficiaries

Ambulance services provide about double the rate of uncompensated care compared to other healthcare providers, including hospitals and physicians. Currently, no state or federal funding is provided for uncompensated care and charity care. Previously available revenue offsets and opportunities for cost shifting are evaporating at lightning speed as healthcare reforms are accelerating at the national, state and local level.

Comparison of Cost to Reimbursement Per Ambulance Transport





EMS Principles for Healthcare Reform Implementation

As policy makers, insurers and other stakeholders proceed with implementation of healthcare reform, the CAA strongly urges that reform initiatives advance quality, efficient and medically-appropriate patient care. As established by the California EMS Act and the federal courts, emergency medical services incorporate both emergency and interfacility types of service. Therefore, the CAA believes the following principles are essential:

- 1) Engage providers and administrators responsible for state and local EMS system oversight in all phases of healthcare reform implementation.
- 2) Preserve the prudent layperson standard for public access to emergency medical care.
- 3) Achieve improved coordination, expanded regionalization, and increased transparency and accountability.
- 4) Assure minimum benefit packages cover medically-necessary ambulance service.
- 5) Promote quality initiatives and performance principles in EMS systems.
- 6) Effectively align the incentives of patients, providers and payers.
- 7) Adequately fund EMS system infrastructure and provider cost of readiness.
- 8) Recognize the value associated with EMS contributions to injury and illness prevention.
- 9) Evaluate EMS system reforms which enhance patient outcomes and reduce downstream healthcare costs.



EMS Safety Net

Essential Safety Net Services

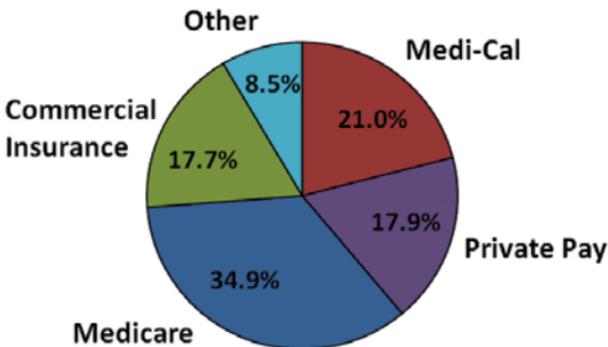
The statewide EMS system is part of the healthcare safety net:

- Nearly three-quarters of patients served are uninsured or are covered by public insurance programs, such as Medicaid and/or Medicare (73%).
- For decades, EMS has guaranteed universal access without regard to a patient's insurance status.
- EMS providers are always on call, even when hospital emergency departments close or go on "diversion;" EMS providers serve as the safety net of the safety net.
- Nearly 75% of EMS patients are considered "vulnerable populations"—children, disabled, and elderly.
- EMS services are legally and morally prohibited from denying care based upon a patient's ability to pay.

Vital Statistics

- 715 total public and private services statewide (170 licensed private ambulance services)
- 3,600 licensed ambulances (74% operated by private providers)
- 60,000 EMTs and 20,000 paramedics statewide

Percent of Ambulance Transports by Payer Type





Effective Local Competitive Processes

The threat of being replaced is one of the most powerful performance incentives, yet, competitive processes are not without risk for communities. When competitive processes are implemented via requests for proposals, patients and communities are best served when:

- 1) Sound system design and an effective competitive process attain best value and quality for patients and the community.
- 2) Request for proposals are objective, transparent, efficiently managed, pro-competitive and without conflicts of interest.
- 3) Periodic benchmarking is employed to determine opportunities for system improvements and optimal bid intervals.
- 4) All eligible providers are granted fair opportunity to compete.
- 5) Concerns of incumbent providers and workforce are addressed.
- 6) Level playing field guarantees “apples-to-apples” comparisons.
- 7) Integrity of financial analysis is achieved by employing sound accounting practices and utilizing full cost accounting.
- 8) System design is forward-looking and integrates national healthcare reforms.
- 9) Local rate regulation assures adequate funding of the “cost of readiness” for both the system and provider.
- 10) Proposal evaluation panels comprise diverse representation without conflicts.
- 11) Mechanisms are incorporated to prevent cavalier proposals.



Our History

Founded in 1948, the California Ambulance Association (CAA) represents the interests of emergency and non-emergency ambulance service providers. As healthcare's first responders, the association is dedicated to assuring the delivery of excellent prehospital care to the people of California by promoting recognized industry best practices.

Our Mission

- Serve as the voice and resource on behalf of private enterprise emergency and non-emergency ambulance services.
- Promote high quality, efficient and medically appropriate patient care.
- Advocate the value that prehospital care provides in achieving positive patient outcomes.
- Promote effective and fiscally responsible EMS systems and participate in establishing standards for system design.

Our Members

Our active members are successful independent businesses:

- Ranging in size from small community services to large regional ambulance providers
- Serving rural, suburban and urban areas in nearly every county of the state
- Offering emergency and non-emergency services at the BLS, ALS and CCT level in various EMS system designs
- Representing for-profit and non-profit organizations: family-operated, community-based and corporate
- Featuring leaders in the field of emergency medical services

CAA's associate members include government operated, fire department-based and air ambulance providers.

— To Learn More —

Contact CAA at (877) 276-1410, or go to: www.the-caa.org.