

**Oversight of the Centers of Medicare and Medicaid Services:
Medicare Payment Policies for Ambulance Services**

**Joseph Lieberman
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Good morning and welcome to this oversight hearing on the proposed changes in Medicare reimbursement of ambulance services and the impact those changes will have on the beneficiaries who rely on them.

Let me start out by saying that the provision of ambulance transport, in emergency situations, is a critical aspect of access to medical care that must be preserved and protected. When Medicare beneficiaries call 911 in a medical emergency, they have every right to expect that an ambulance will arrive in a timely manner. It is our responsibility to ensure that this right is honored and that our national healthcare policy does nothing to jeopardize it.

That said, problems with Medicare's ambulance service reimbursement system are, unfortunately, long-standing and in dire need of reform. In the last decade alone, the General Accounting Office and the Department of Health and Human Services have issued 10 separate reports detailing those problems, specifically with regard to the payment structure, the claims review and adjudication processes, and coding practices.

Under the Balanced Budget Act of 1997, ambulance reimbursements were supposed to move to a fee schedule instead of a reimbursement system based on medical diagnosis. As I understand it, Centers for Medicare and Medicaid Services has been working on that shift for quite some time. It now sounds like the rule on the fee schedule will be issued, hopefully, early next year.

The reimbursement levels represented by the proposal have raised concerns among a number of our witnesses today, although the International Association of Firefighters supports the fee schedule, as negotiated last year. We all want to avoid any situation that jeopardizes the livelihood of ambulance providers or that will disrupt services for Medicare beneficiaries. We also want to avoid, as much as possible, continuing problems with claims denials, inconsistent application of standards in the adjudication process, and prolonged delays in claims processing that have led to unnecessary stress for patients.

I look forward to our panelists' testimony on these issues and turn the gavel over to my able colleague Senator Dayton, whose deep interest in this issue led to this hearing today. Senator Dayton?