

# Ground Ambulance Balance Billing Study

Legislative Study Report  
October 1, 2023

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# Purpose & Background

The [Balance Billing Protection Act \(BBPA\) \(Chap. 48.49 RCW\)](#) was enacted by the Washington state legislature in 2019 and took effect on January 1, 2020. The law protects consumers from balance or “surprise” billing practices in specific settings where consumers have no opportunity to choose their provider. These settings include emergency services, air ambulance services, and non-emergency services provided at in-network hospitals or ambulatory surgery centers.

The federal [No Surprises Act \(NSA\)](#) went into effect January 1, 2022, and protects consumers from many of the same billing practices as the BBPA. In response, Washington state enacted [E2SHB 1688](#) in March 2022 to bring the BBPA into alignment with the NSA. It also expands the services covered by the BBPA to include air ambulance transportation and emergency behavioral health services.

In all three enactments, ground ambulance services were not included in balance billing protections, despite consumers having no ability to choose their service providers in these situations. Ground ambulance services were not included in the federal and state laws due in large part to the complexity of emergency medical services (EMS) agencies’ organization and financing at the local and county level.

Ground ambulances were also excluded from the federal [Emergency Medical Treatment and Active Labor Act \(EMTALA\)](#) enacted in 1986. EMTALA requires that hospitals with emergency departments provide medical examinations and treatment for emergency medical conditions (including active labor) regardless of a patient's ability to pay. Per EMTALA, this also means that no emergency department visit can be considered out-of-network and consumer cost-sharing must be billed at in-network amounts.

Between 2017 and 2023, ground ambulance billed charges and payments have only increased, as reported by health insurance carriers surveyed for this report. The greatest increase has been for non-participating providers’ billed charges for nonemergency services. However, there have been increases across the board regardless of the provider’s network status or whether a service is emergent or not.

**Table 1. Rate increases for Ground Ambulance Emergency and Non-Emergency Services**

Non-Participating	Emergency services	Nonemergency services	Participating	Emergency services	Nonemergency services
Billed charges	69% increase	75% increase	Billed charges	46% increase	40% increase
Allowed amounts	66% increase	62% increase	Allowed amounts	50% increase	50% increase

Source: OIC Carrier Survey presented to Advisory Group on July 26, 2023

The burden of increasing billed charges largely falls on consumers who are balance billed for hundreds, if not thousands, of dollars and too often are unable to afford these additional charges, leading to medical debt and other serious financial and health repercussions. Consequences of medical debt for consumers include wage garnishment, damaged credit reports, and court fees incurred when debt collectors sue consumers for payment. This burden can fall disproportionately on consumers who live in rural and frontier communities, due in large part the longer distances rural EMS providers travel and to those providers being less likely to have contracts with health carriers.

Due to the complexity of ground ambulance agencies and services, [E2SHB 1688 \(2022\)](#), directed the Office of the Insurance Commissioner (OIC) to submit a report to the legislature related to how balance billing for ground ambulance services can be prevented. It instructed the OIC to consult with a broad range of interested entities and submit the report on or before October 1, 2023.

[RCW 48.49.190](#)

*(1) On or before October 1, 2023, the commissioner, in collaboration with the health care authority and the department of health, must submit a report and any recommendations to the appropriate policy and fiscal committees of the legislature as to how balance billing for ground ambulance services can be prevented and whether ground ambulance services should be subject to the balance billing restrictions of this chapter. In developing the report and any recommendations, the commissioner must:*

*(a) Consider any recommendations made to congress by the advisory committee established in section 117 of P.L. 116-260 to review options to improve the disclosure of charges and fees for ground ambulance services, better inform consumers of insurance options for such services, and protect consumers from balance billing; and*

*(b) Consult with the department of health, the health care authority, the state auditor, consumers, hospitals, carriers, private ground ambulance service providers, fire service agencies, and local governmental entities that operate ground ambulance services, and include their perspectives in the final report.*

*(2) For purposes of this section, "ground ambulance services" means organizations licensed by the department of health that operate one or more ground vehicles designed and used to transport the ill and injured and to provide personnel, facilities, and equipment to treat patients before and during transportation.*

The OIC formed Ground Ambulance Balance Billing Advisory Group to meet the consultation requirement of the statute, and more importantly, to learn from ground ambulance subject matter experts.

As directed in the No Surprises Act, the federal government established the [Advisory Committee on Ground Ambulance and Patient Billing \(GAPB\)](#) to advise Congress on any recommendations to protect consumers from balance billing in events where emergency ground ambulance services are required. Their first meeting of the committee was held on May 2, 2023. Their report to Congress is due 180 days after their first meeting.

In 2018, Congress directed CMS to collect data on Medicare payments for ground ambulance services. CMS created the [Medicare Ground Ambulance Data Collection System \(GADCS\)](#) which will collect information on ground ambulance costs, revenue, and utilization during the period of January 1, 2020 to January 1, 2024. This information will be reported to the Medicare Payment Advisory Commission (MedPAC) who will in turn analyze the data and report to Congress.

## Washington State Advisory Group Members

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As directed in [RCW 48.49.190](#), the Ground Ambulance Balance Billing Advisory Group members include the [Department of Health \(DOH\)](#), the [Health Care Authority \(HCA\)](#), consumers, hospitals, carriers, private ground ambulance service providers, fire service agencies, and local governmental entities that operate ground ambulance services. OIC consulted with the Washington State Auditor prior to initiating the project. The Advisory Work Group is comprised of the organizations listed below. For a complete list of members, please see [Appendix A](#).

### **Advisory Group Member Organizations:**

- [AARP](#)
- [Association of Washington Counties](#)
- [Northwest Health Law Advocates \(NoHLA\)](#)
- [Olympic Ambulance](#)
- [Patient Coalition of Washington](#)
- [South Kitsap Fire Rescue](#)
- [Systems Designs West-Billing Agency](#)
- [Washington Fire Chiefs](#)
- [Washington State Council of Firefighters](#)
- [Washington Ambulance Association](#)
- [Association of Washington Public Hospitals \(AWPHD\)](#)
- [Washington State Hospital Association](#)
- [Association of Washington Healthcare Plans \(AWHP\)](#)
- [Association of Washington Cities](#)

### **Advisory Group Project Team:**

- [Office of the Insurance Commissioner](#)
- [Department of Health \(DOH\)](#)
- [Health Care Authority \(HCA\)](#)
- [University of Washington Health Systems Collective/The Value & Systems Science Lab \(UW/VSSL\)](#)

### **Advisory Group Meetings**

The Advisory Group held six meetings during the period of January through August 2023 to share resources, review data and materials, and develop findings and recommendations. The Advisory Group had an opportunity to review and comment on earlier drafts of this report. All written comments received, including those related to the report, are posted on the [OIC ground ambulance surprise billing website](#).

## Research Activities to Inform the Report

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### Emergency Medical Services (EMS) Licensing Applications

UW/VSSL, under contract with OIC, conducted a comprehensive look into licensure of EMS agencies in Washington state to assess the organizational structure, business practices, and financing of EMS agencies. VSSL used a two-pronged approach in their analysis, first by gathering systematic data from EMS service licensing applications submitted to DOH:

- Type of EMS agency — aid or ambulance
- Level of service being provided — basic life support (BLS), intermediate life support (ILS), or advanced life support (ALS)
- Geographic area
- Types of calls — 911 and/or inter-facility transports
- Number and type of vehicles

To ensure capture of additional information, VSSL then analyzed a sample of 22 EMS applications to provide a more in-depth analysis of EMS licensees. This analysis assisted the advisory group in better understanding the organizational structure, business practices and financing of EMS agencies.

The findings of this study are discussed later in this report. The full report and Advisory Group presentation appear on the [OIC ground ambulance surprise billing website](#).

### All Payer Claims Database (APCD) Ground Ambulance Services Analysis

The OIC analyzed commercial health insurance ground ambulance claims data for the period of 2019-2022 available through the Washington All Payer Claims Database (APCD). The data elements below are broken out by provider type, in-network (INN)/out-of-network (OON) provider status, payer type, EMS transport type, and location of service (urban or rural):

- Claim count
- Charged amounts
- Paid amounts
- Copay amount
- Coinsurance amount
- Allowed amount
- Deductible amount

To corroborate this data and provide a better understanding of the disparities between dispatch volume and transport volume, the [EMS Data Registry](#) maintained by the Washington State Department of Health (DOH) also was reviewed. The data elements assessed in the EMS Data Registry are as follows:

- Primary type of service
- National Provider Identifier (NPI)
- EMS transport method
- Organization type
- Organization tax status
- Type of service requested
- Primary method of payment
- Insurance company name
- Payer type
- EMS patient transport volume per year

- EMS dispatch volume per year

The findings of this study are discussed later in this report. The full Advisory Group presentation appears on the [OIC ground ambulance surprise billing website](#).

## **Survey of Health Carriers**

The OIC surveyed 18 health carriers to gain an understanding of billed charges and amounts paid for ground ambulance services, contract status of ground ambulance providers, and primary concerns of carriers related to contracting with ground ambulance providers. A draft of the survey was reviewed by the Advisory Group. It was sent to carriers on May 1, 2023, with responses due June 1, 2023.

The findings of this study are discussed later in this report. The full Advisory Group presentation appears on the [OIC ground ambulance surprise billing website](#).

## **Survey of Ground Ambulance Providers**

UW/VSSL, in collaboration with OIC, designed a survey assessing the financing and business practices of ground ambulance providers. The survey was distributed to EMS licensees by DOH. A draft of the survey was reviewed by the Advisory Group. The survey was sent to the licensees on May 1, 2023, with responses due June 1, 2023.

The findings of this study are discussed later in this report. The full Advisory Group presentation appears on the [OIC ground ambulance surprise billing website](#).

# Ground Ambulance Services in Washington State

The EMS system in Washington state is integral to providing time-sensitive care to Washington residents in need. As an essential part of the [Emergency Care System Continuum of Care, Washington statute](#) authorizes local and county governments to establish and finance these systems. Private entities also provide ground ambulance services, often with a role in public EMS systems. The complexity of this network of systems was a primary reason that ground ambulance balance billing protections were not originally included in the BBPA or NSA. Per the Washington EMS Information System (WEMSIS), there were over 800,000 emergency calls to EMS in 2022, with 83.6% resulting in an EMS transport. This complex network is composed of many and varied means to establish, operate, and finance local agencies.

*Note: Throughout this report there are many acronyms and descriptions of services offered by EMS agencies. Please refer to the glossary at the end of this report for definitions located in [Appendix B](#).*

## How Ground Ambulance Services Work in Washington

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Among the 39 counties, there are 478 licensed EMS agencies (including air ambulances), 299 of which can provide ground transport for people in need of such care. Three types of services are provided: Basic Life Support (BLS) (most common), Intermediate Life Support (ILS), and Advanced Life Support (ALS), with different services provided at each level of care.

### Types of EMS Licenses

Not all EMS licenses are the same. Defining features of licenses include the type of EMS services provided, whether the EMS agency transports patients, and whether the agency is [trauma verified\\*](#).

- Emergency Services Supervisory Organization (ESSO): An organization such as law enforcement agencies, search and rescue operations, businesses with industrial organized safety teams, etc., that provide initial medical treatment for on-site medical care prior to dispatch of EMS services.
  - ESSOs do not have ambulances, respond to 911 calls, or transport patients.
  - ESSO examples: Sheriff departments, ski patrols, Boeing Fire.
- Aid services: An EMS service that operates one or more aid vehicles to respond to calls and provide initial care at the scene.
  - Aid services respond to 911 calls and only provide initial treatment. They do not transport patients because most AID vehicles are not designed to carry stretchers and are licensed only as a first response service.
- Ambulance (includes air ambulance): EMS service that operates one or more ambulance vehicles that respond to calls, provide patient care and transport patients to facilities.

- o Ambulances can carry stretchers.

\*[Trauma Verified \(verification\)](#) is the process by which an aid or ambulance service is endorsed by DOH to respond to 911 calls and treat and/or transport trauma patients to hospitals designated to provide trauma care.

## Who Staffs EMS Agencies

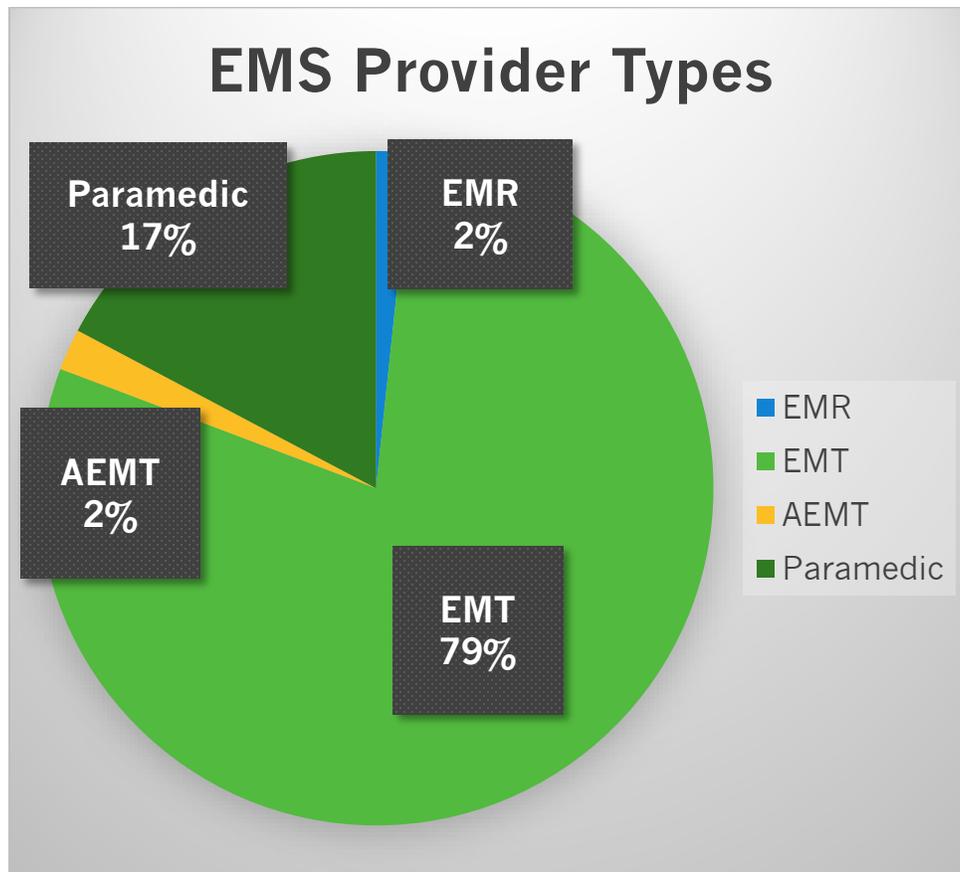
As of December 31, 2022, there are 16,993 EMS providers in Washington state. Of those, 1 in 4 are volunteers, as reported by EMS agencies. Rural counties often struggle to maintain advanced EMS personnel and often rely more heavily on volunteers to staff their EMS agencies, creating disparities in access to care for rural residents. There are four levels of certified EMS providers, distinguished by the types of services they can provide:

**Table 2. Type of Certified EMS Providers**

Level of EMS Staff	Acronym	Description of Services	Skill Level/ Education
<b>Emergency Medical Responder</b>	<b>EMR</b>	<ul style="list-style-type: none"> <li>✓ Responds to calls</li> <li>✓ Provides Basic Life Support (BLS)</li> </ul>	<ul style="list-style-type: none"> <li>➤ 48-60 initial training hours</li> <li>➤ Can perform CPR, provide oxygen, use AED, take vital signs, splinting, control bleeding, use EpiPen, administer Naloxone.</li> </ul>
<b>Emergency Medical Technician</b>	<b>EMT</b>	<ul style="list-style-type: none"> <li>✓ Respond to calls</li> <li>✓ Provides Basic Life Support (BLS)</li> </ul>	<ul style="list-style-type: none"> <li>➤ 150-190 Initial training hours</li> <li>➤ EMR services, plus administer Nitroglycerine, Aspirin, Glucose, apply cervical collar, assess blood glucose level.</li> </ul>
<b>Advanced Emergency Medical Technician</b>	<b>AEMT</b>	<ul style="list-style-type: none"> <li>✓ Respond to calls</li> <li>✓ Provide Intermediate Life Support (ILS)</li> </ul>	<ul style="list-style-type: none"> <li>➤ 150-250 Initial training hours</li> <li>➤ EMR and AEMT services, plus start an IV, administer additional medications, initiate cardiac monitoring.</li> </ul>
<b>Paramedic</b>	<b>n/a</b>	<ul style="list-style-type: none"> <li>✓ Respond to calls</li> <li>✓ Provides <a href="#"><u>Advanced Life Support</u></a> (ALS)</li> </ul>	<ul style="list-style-type: none"> <li>➤ 1200-2500 Initial training hours</li> <li>➤ Can perform all of the above plus intubation, chest decompression.</li> </ul>

The most common type of EMS provider is EMTs at 79% (13,438). This is followed by paramedics at 17% (2932), and AEMT (338) and EMRs (285) at 2% each.

**Chart 1. EMS Provider Types by Percentages**



Source: DOH Advisory Group Presentation on February 27, 2023

## Services Provided by EMS Agencies

EMS organizations offer the three levels of service, as described in the table above (Basic Life Support, Intermediate Life Support and Advanced Life Support). These services are provided in the following ways:

- **Dispatch:** Dispatching aid or ambulance services based on an emergency (911) or non-emergency call.
- **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 is referred to secondary sites for additional care. Secondary sites can include physician care, behavioral health treatment, etc.
- **Transport to emergency department:** Transport can be done only by licensed or verified ambulance services staffed by certified EMS providers.
- **Transport to alternative sites:** EMS services can transport patients to alternative sites directly from an emergency scene, or a transport can be scheduled in advance as an interfacility transport if a patient needs to be transported between two health care facilities.

- Alternative sites include behavioral health crisis providers and treatment centers, substance use disorder treatment centers, dialysis centers, or doctor’s appointments.

## Operation of EMS Agencies

EMS agencies are operated by multiple types of collaborating entities. While they may respond to 911 emergency calls, they are not all established or function in the same way. UW/VSSL grouped EMS agencies into 13 organization types and three broader groups:

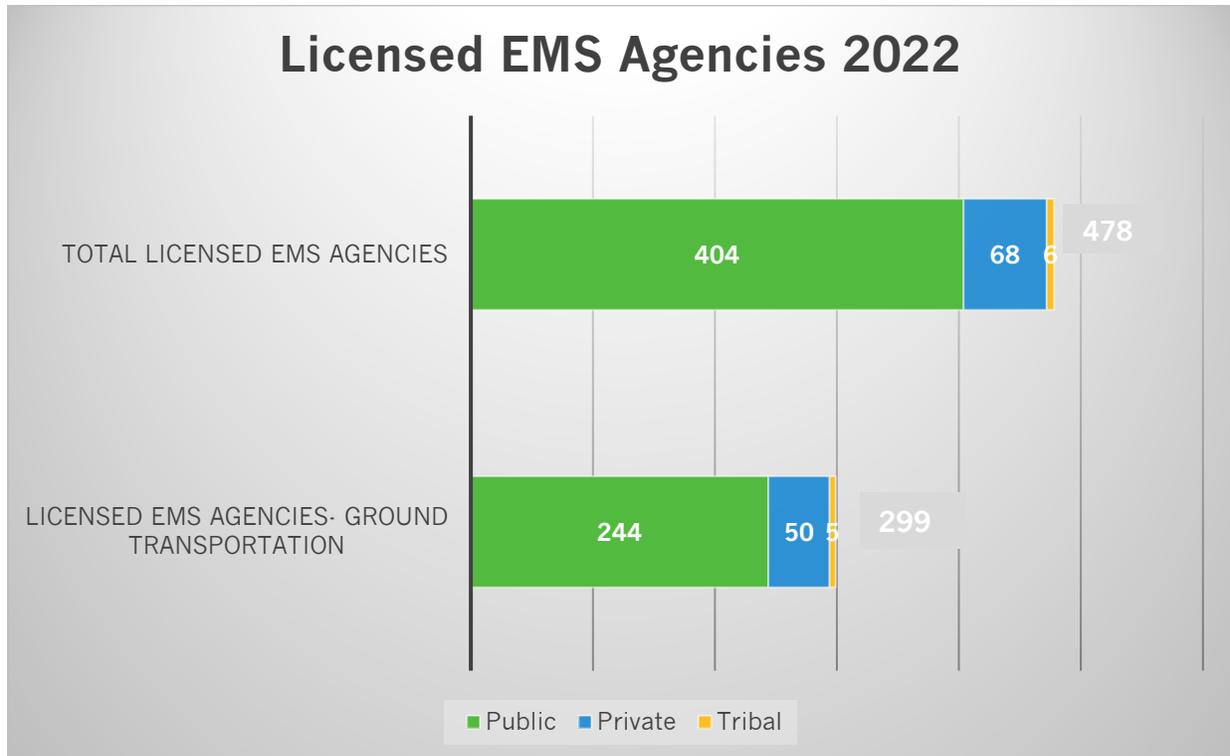
**Table 3. EMS Agency Operating Entities**

Public	Private
City Fire Department City/Fire District Combination EMS District Federal Fire Department Fire District Hospital District Industrial Fire Department Military Municipality	Private for Profit Private Non-Profit Private Volunteer Association
	<b>Tribal</b>
	Tribal EMS

*Source: Value and Systems Science Lab (VSSL) EMS service and vehicle license applications report (August 2, 2023)*

The licenses of EMS agencies are issued, monitored, and tracked by DOH to ensure EMS agencies and personnel meet minimum standards for training, operations, vehicles and equipment and that proper care is provided to patients. Below is a graph of the types of entities that operate EMS agencies in Washington and how many are able to provide ground transportation services.

**Chart 2. Licensed EMS Agencies (2022)**



Source: DOH 2022 Licensed EMS Services

**Public and Private Ground Ambulance Providers**

While many believe that ambulances are operated by cities and local governments, private ambulance agencies play an important role in the care provided to Washington residents. In many cases, public EMS agencies are the first to respond to 911 dispatch calls but rely on private EMS agencies to transport patients to hospitals. The differences between private and public ambulance providers are summarized below:

**Table 4. Differences between private and public ground ambulance providers**

Private	Public
Privately owned and operated and can include: <ul style="list-style-type: none"> <li>➤ Private ambulance that works out of a public agency (i.e., fire department)</li> <li>➤ Private operation with own facilities</li> </ul>	Publicly owned and operated and can include: <ul style="list-style-type: none"> <li>➤ Fire Department or District</li> <li>➤ Public Hospital District</li> <li>➤ EMS District</li> </ul>
Responds to 911 calls in partnership with or at request of public EMS services.	Responds to 911 calls as top priority
Provides interfacility and specialty care transports with specially trained EMS and other health care	Provides limited specialty care transport and limited interfacility transport, usually when no other services are available to provide transport.

providers such as critical care nurses (sometimes specializing in this care).	
Funded through third party payers, e.g., Medicare, Medicaid, and private health insurance	Funded through local government taxes, levies, as well as third party payers

There is vast disparity in the size, organization, and staffing of EMS agencies in Washington state. VSSL’s analysis of 22 EMS license applications showed great variation in the size and organization of their EMS agencies. For instance, one agency reported 1,000 paid staff members, while the smallest reported 20 paid staff members. Sixteen of the 22 EMS agencies reported having no volunteers, and one organization reported having 44.

This disparity was also reflected in the number of aid and ambulance vehicles. Only half of applications reported having any aid vehicles in their fleet, with the highest number of reported aid vehicles at 49. Among EMS agencies with ambulance vehicles, they ranged from 4 to 53 vehicles.

## EMS Statutes and Rules

As a necessary and vital service provider, the Legislature has enacted laws related to creation, maintenance, and funding of EMS systems. The relevant statutes and rules include:

**Table 5. EMS Agency and System Statutes**

RCW	Name of RCW	Summary
<b>Establishing EMS Systems</b>		
<a href="#">Chapter 18.71 RCW</a>	Physicians	Governs physician licensure, including emergency service medical program director certification.
<a href="#">Chapter 18.73 RCW</a>	Emergency Medical Care and Transportation Services	Governs licensure of Emergency Medical Care and Transportation Services
<a href="#">Chapter 70.168 RCW</a>	Statewide Trauma Care System	Establishment of statewide trauma care system, specifically designations for trauma hospitals and verification for ambulance services.
<b>Authority to Establish EMS Systems</b>		
<a href="#">Chapter 35.21 RCW (RCW 35.21.762 – 779)</a>	Miscellaneous Provisions	Addresses authority for local governmental entities to create EMS services, provide financial support or revenue for those services, set rates, designate their service areas/districts, and allow volunteer EMS personnel to be compensated. Establishes the Community Assistance Referral and Education Services (CARE program and provides some protections to private ambulance providers.
<a href="#">RCW 35.23.456</a>	Additional powers — Ambulances and first aid equipment.	Allows a second-class city to operate an EMS system when other ambulance services are not readily available.
<b>EMS System Financing</b>		

<a href="#">RCW 35.27.370</a>	Specific powers enumerated.	Allows towns to operate ambulance service and collect fees for such a service.
<a href="#">RCW 36.32.470</a>	Financial assistance to ambulance or EMS	Authorizes counties to furnish financial assistance for fire protection, ambulance, and EMS services
<a href="#">RCW 41.05.730</a>	Ground emergency medical transportation services — Medicaid reimbursement — Calculation — Federal approval — Department's duties.	Creates GEMT program and stipulates its management and regulations.
<a href="#">RCW 84.52.069</a>	Emergency medical care and service levies.	Sets \$00.50 per \$1000 of assessed value of property as levy limit on levies for EMS services. Levy is capped at 1% increase of revenue from previous year.
<a href="#">RCW 84.52.070</a>	Certification of levies to assessor.	Allows counties and cities to set up levies for EMS systems.
<b>EMS Systems - WAC</b>		
<a href="#">WAC 246-976</a>	Emergency Medical Services and Trauma Care Systems	Rules associated with EMS and Trauma Care System.

Rural communities establish public EMS agencies when commercially available ambulances are not readily available. They cover a larger geographic area with lower population density per square mile while relying on fewer staff, vehicles, and funding resources. They also tend to rely more heavily on volunteers. These more limited resources lead many rural areas to share ambulance services across multiple towns and cities. There are ground ambulance deserts in Washington where the nearest ambulance service is more than 25 miles away.

## Funding EMS Agencies in Washington

EMS agencies in Washington respond to 911 calls 24 hours a day, seven days a week, 365 days a year. Divided into [eight trauma care regions](#), they respond to emergency situations such as car accidents, search & rescue, heart attacks, stroke, substance use, and mental health crises. Per WEMESIS in 2022, it is estimated that Washington EMS Agencies responded to over 818,000 dispatch calls. That same number of people would fill T-Mobile Park (home of the Mariners) and Lumen Field (home of the Seahawks and Sounders) seven times. Of those 818,000 dispatch calls, 684,000 (83.6%) resulted in transport to a secondary location including emergency departments, hospital-to-hospital transfers, medical transfers, and more.

The magnitude of the work EMS agencies provide has a cost. In the Ground Ambulance Provider survey, the 65 provider respondents each estimated the cost of various components of their services. The response rate to the survey was approximately 15%. Of the 65 respondents, 58 (89%) were public providers and seven (11%) were private/non-government providers.

There was substantial variance in the size, provider type, and geographic region served by the survey respondents. For illustrative purposes, the average EMS agency cost reported was roughly estimated at \$7.6 million to operate annually, the largest share of that cost being EMT/response staff, at just over \$5

million. The providers also varied greatly in the size of their paid and volunteer staff. Responding providers noted that the amounts provided were estimates and that costs can vary greatly from year to year. However, these numbers provide a window into how much EMS providers themselves estimate it costs to operate an EMS agency in Washington.

Currently, there is no standardized system for EMS agencies to report their costs. CMS has initiated collection of cost reports from ground ambulance providers (GADCS) to inform a review that will be undertaken by MedPAC, which will make recommendations to Congress after the reporting period closes in 2024.

**Table 6. Breakdown of EMS Agency Annual Costs**

Cost category	Average cost
EMT/Response staff	\$5,231,170
Administration/Facilities staff	\$946,449
Owned ground ambulance	\$275,468
Leased ground ambulance	\$61,224
Other vehicles (non-ambulance)	\$48,788
Capital medical equipment	\$117,820
Capital non-medical equipment	\$57,495
Medical equipment, supplies, and consumables	\$64,797
Medications	\$7,725
Other	\$780,043

Source: OIC Provider Survey presented to Advisory Group on July 26, 2023

## Covered and Non-Covered Services

Emergency response teams will remind us that it is free to call 911, and they actively encourage people to call if they fear for their life or health because the alternative is too great a risk. As noted above, there is considerable variability in the services provided by EMS agencies. The advisory group deliberations revealed differences in payment for those varied services, both by service and across payers, as displayed below. In most cases, transports to a hospital emergency department are covered by Apple Health (Medicaid), Medicare, and commercial health plans. For all other services, coverage varies depending upon the payer and its policies.

**Table 7. Coverage of Services by Payor and Type of Service**

Name of the service	Medicare	WA Medicaid FFS	Commercial
Emergency transports (to higher care)	Yes, when meets medically necessary criteria	Yes, when meets medically necessary criteria	Yes
Non-Emerg transports interfacility, higher level	Yes	Yes	Only if covered, often not in full
Non-emerg transports, lower level (H-Res/SNF)	Conditional, medical necessity is stringent	Conditional, medical necessity is stringent	Only if covered, often not in full
Patient is in-patient	No, facility is responsible	No, facility is responsible	Only if covered, often not in full
Treat, No Transport	No	No, unless Treat & Refer enrolled	Conditional, generally no.
Specialty Care Transport	Yes	Yes, but pays as ALS	Yes
Transport to Alt. Destination	No	Yes, if criteria are met	Conditional, generally no.
Transport from Jail - Hosp	Conditional	Conditional	N/A
Involuntary Mental Health (various origin/destination)	Conditional	Yes	Yes
First response service (another agency transports)	No	No	No

Source: Systems Design West, LLC presented to Advisory Group on March 31, 2023

FFS= Fee for Service

Yes= Covered to some extent

No= No coverage offered for service

Ground ambulance providers in the advisory work group contend they are not fully compensated for the following services:

- **Loaded vs. unloaded miles:** Providers are reimbursed for loaded miles, i.e., the number of miles during which a patient is in an ambulance. For example, if they transport a patient one-hour outside the county to a higher-level trauma designation hospital they can bill for the mileage and time to get to the hospital, but the miles and time they spend to return to their jurisdiction are not billable.
- **Throughput delays:** If a hospital, facility or other care site is unable to accept a patient when they arrive, the ambulance provider cannot bill for the time they spend waiting for the patient to be admitted. Nor can they bill if they attempt to transfer the patient to a new facility and have to bring them back to the original facility.
- **Treat, no transport:** This refers to an emergency response where the patient is cared for by ground ambulance providers but is not transported to a hospital or other facility for treatment. As shown above, this is generally not covered by any insurance carrier.
  - *Community Assistance Referral and Education Services (CARES) Program:* Per [RCW 35.21.930](#), any fire department can develop a CARES program to improve community outreach and public health through assistance and education services. While the statute authorizes development of these programs and allows fire departments to seek grants and private gifts to fund them, it does not dedicate any government funding source for

this program. Participation in the program is voluntary. Some agencies provide treat, but no transport services without establishing a CARES program.

- **Interfacility transport or transport to alternative sites:** This broadly covers multiple types of transport that are not considered emergency transport to a hospital. This includes specialty care transport for people needing medical care provided by specially trained staff, transport to alternative destinations such as mental health or substance-use treatment centers, and interfacility transports to nursing or hospice facilities. These may be covered at varying levels by insurance carriers and can result in large cost-sharing and balance bills for patients.
- **Cost of supplies and medications:** While this is a relatively small portion of the total cost of the operating budget for EMS agencies, these services are not directly billable.

## Funding Sources for EMS Ground Ambulance Providers

EMS providers rely on a complex network of funding to cover the cost of operating their agencies.

### **Local Government Funding**

There are three general funding sources that allow local and county governments to fund public EMS services within their jurisdiction:

- **Levy:** Per [RCW 84.52.069](#), local governments can impose a property tax levy of no more than \$0.50 per \$1,000 of assessed value of property for emergency services. It must be voter approved and can last for 6-years, 10-years, or be permanent. In addition, levy revenue cannot increase by more than 1% over the course of one year, also referred to as the 1% cap.
  - According to [All County Levy Data from 2022](#) from the Washington State Department of Revenue, the average EMS levy amount was \$0.39.
  - Hospital, fire, and excess levies contribute to EMS funding, but this funding also is used to fund other services, such as fire departments and public hospitals.
- **Utility:** [RCW 35.21.766](#) allows local governments to create a fee structure that can fund ambulance transport services for all users or local residents.
  - For example, the city of Bridgeport has a monthly \$3.00 utility fee per [Chapter 12.24 RCW](#).
- **Local government general funds:** [RCW 35.27.370](#) and [RCW 36.32.480](#) allow cities to fund and share ambulance services between municipalities.
  - For example, [North County EMS](#) is a shared service between Clark County, southeast Cowlitz County, and west central Skamania County.

### **Third-Party Payers**

Third party payers include commercial health carriers, Medicare, Apple Health (Medicaid), and other government-funded health care programs.

- **Health carriers:** This includes commercial health plans that provide coverage to Washington residents. They provide coverage at in- and out-of-network rates, which can vary widely depending on the health plan, the geographic area in which the service is provided, and the EMS provider.

- **Medicare:** The federal Centers for Medicare and Medicaid Services (CMS) sets fixed rates for services. Some advisory group members stated that Medicare rates are below providers' costs. As described elsewhere in this report, CMS is beginning to collect ground ambulance cost reports for submission to the Medicare Payment Advisory Commissioner (MedPAC) for their analysis and findings.
- **Apple Health (Medicaid):** Apple Health pays fixed rates for specific covered services. Due to the low fixed rates, there are two additional federal funding sources to supplement Apple Health payments for ground ambulance services.
  - *Ground Emergency Medical Transportation (GEMT):* Established through [RCW 41.05.730](#), GEMT payment supplements Apple Health payments made for Apple Health-only patients who receive services from a publicly owned and qualified GEMT ambulance service. The program is not available to private ambulance providers. Public EMS providers can choose whether to participate in the program. As of July 2023, 140 EMS providers, or 35% of public providers, participate in the program. Local funding is matched with federal funds. The program is designed to cover the difference between Medicaid reimbursement and actual costs.
    - In 2022, CMS indicated a potential change in the costs that could be included in the calculation of a public EMS provider's costs. The key concern was whether "allowed costs" could continue to include costs associated with "treat but no transport" services. The Health Care Authority has submitted a state plan amendment to CMS that proposes to continue to include those costs in the program. HCA is awaiting a determination from CMS.
    - Per HCA, in SFY 2022 the average cost per transport was \$2,742.
  - *Ambulance Transport Quality Assurance Fee Program (QAF):* Per [Chapter 74.70 RCW](#), this program generates additional revenue for private ground ambulance providers. A mandatory fee is assessed on private, non-profit, and non-government emergency only services. Providers are assessed at the rate of \$24.50 for every transport. This assessment is then matched with federal Apple Health matching funds to make enhanced payments to private ground ambulance providers.
    - The current enhanced payment for Apple Health patients requiring emergency only ground ambulance transport is \$231.23.
    - The enhanced payment is not made for non-emergency transports or mileage, but it can be made for specialty care transports.
- **Other government health carriers:** Tricare, Veteran Affairs (VA) health coverage, and Indian Health Services funding account for a relatively small portion of transports for EMS.

## Cost, Charges, and Payment for Services

The advisory group gathered information related to several components of ground ambulance payment for services by commercial health plans. In the table below, claims information from the APCD for calendar year 2021 on the seven most common ground ambulance billing codes was compiled and analyzed to attempt to arrive at the average payment and billed charges for these services.

**Note:** APCD data from 2021 was used as it was the most current and complete data set available.

Cost of, and payment for, ground ambulance services are analyzed with respect to:

- Cost: Most commonly used by providers and refers to the calculation of total cost of their service based on supplies used, mileage traveled, hourly rate of response team, etc.
  - All cost information is self-reported by providers via the survey described above.
- Billed charge: The total amount charged and submitted by the provider to the health carrier for reimbursement.
- Allowed amount: The maximum amount the health plan will pay for a specific covered health service. This includes both the carrier’s payment and applicable consumer cost-sharing.
- Allowed amount as a percent of Medicare: The maximum amount the health plan will pay for a specific covered health services as a percent of the Medicare allowed amount for the same service.

**Table 8. Service Cost by Provider estimated cost, billed charges, and percentage of Medicare allowed amount**

		Non-Participating				Participating			
Transport type (procedure code)	Average cost from provider survey***	Billed Charge-public	Billed Charge-private	Allowed Amount as % of Medicare-public	Allowed Amount as % of Medicare-private	Billed Charge-public	Billed Charge-private	Allowed Amount as % of Medicare-public	Allowed Amount as % of Medicare-private
BLS nonemergency transport (A0428)	\$1,370.87	\$840.09 (34) **	\$1,310.79 (712)	243%	406%	\$943.96 (64)	\$1,490.90 (1672)	347%	396%
BLS emergency transport (A0429)	\$1,382.25	\$802.92 (1,383)	\$1,195.53 (1,308)	172%	229%	\$781.62 (1,734)	\$1,410.04 (2,262)	190%	327%
ALS nonemergency transport lvl 1 (A0426)	\$1,559.06	\$1,113.82 (33)	\$2,399.96 (224)	258%	586%	\$1,079.50 (50)	\$2,276.97 (420)	311%	646%
ALS emergency transport lvl 1 (A0427)	\$1,732.82	\$1,039.89 (1,586)	\$1,714.00 (777)	186%	293%	\$991.13 (2,038)	\$1,505.27 (1,095)	207%	340%

ALS emergency transport lvl 2 (A0433)	\$1,923.59	\$1,189.17 (112)	\$1,575.12 (43)	152%	191%	\$1,092.63 (156)	\$1,590.50 (61)	157%	244%
Specialty care transport (A0434)	\$2,246.61	<11 claims	\$4,009.27 (235)	<11 claims	374%	<11 claims	\$3,774.20 (582)	<11 claims	342%
Ambulance response and treatment, no transport (A0998)	NA	NA	NA	NA	NA	NA	NA	NA	NA

*\*Both commercial and Medicare claims are from 2021. Medicare allowed amounts are derived from the [CMS Medicare Physician & Other Practitioners – by Provider and Service](#) file. Medicare data was joined to commercial data on shared provider NPI in an attempt to account for variations by geography. Private providers include those categorized as independent, non-profit, private equity-owned, or publicly traded. The allowed amount for both commercial and Medicare data include the amount paid to the provider by the health plan and the total patient cost sharing component (sum of deductible and coinsurance amount that the beneficiary is responsible for paying).*

*\*\*Number of claims for each CPT code used to calculate average amount per CPT code.*

*\*\*\* Cost calculated from provider survey. Total of responding providers was 65, with 58 public providers and seven private providers. Thus, skewing results towards public providers' estimated costs.*

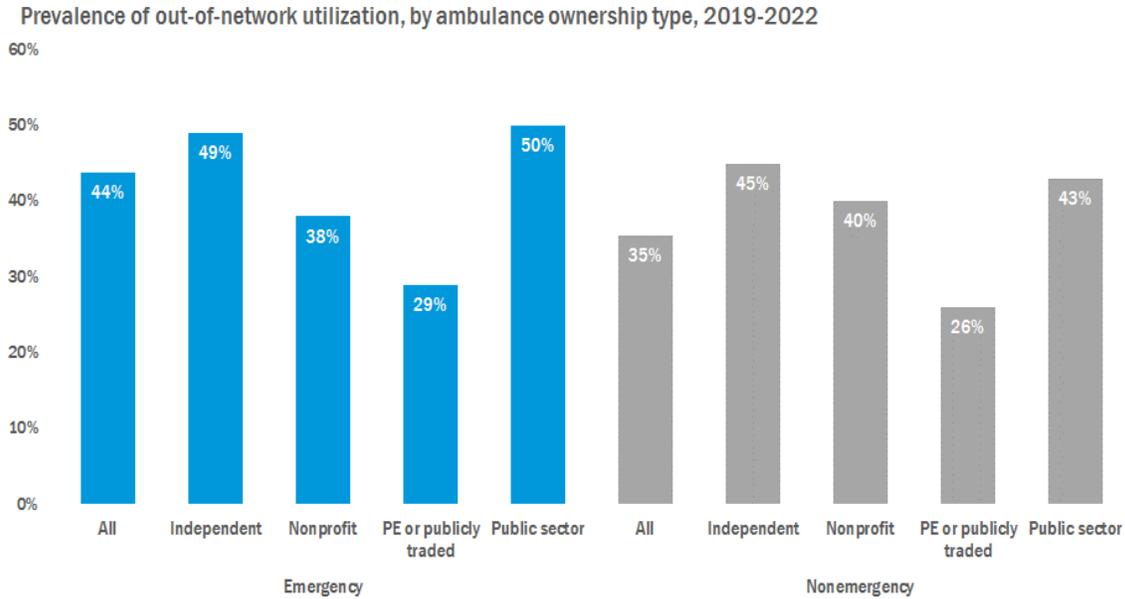
## **Exposure and Magnitude of Balance Billing on Consumers**

The increases in billed charges and allowed amounts reported by the 18 carriers surveyed for this report result in increased magnitude of potential balance bills.

The OIC reviewed its analysis of APCD claims data with the advisory group. The analysis assessed ground ambulance billed charges, payments, and cost-sharing from 2019-2022.

Due to the sheer volume of EMS services in Washington, both providers and health carriers in the advisory group noted that the effort to contract as an in-network provider is a large administrative burden. This is particularly the case for smaller EMS services that do not have the administrative capacity to negotiate contracts with multiple insurance carriers. Carriers also struggle to contract with providers for various reasons, such as inability to reach an agreement or being unable to contact someone who handles contract negotiations. As a result, the prevalence of out-of-network ambulance utilization by consumers in emergent and non-emergent situations remains high across all ambulance ownership types.

**Chart 3. Prevalence of out-of-network utilization by ground ambulance ownership type**



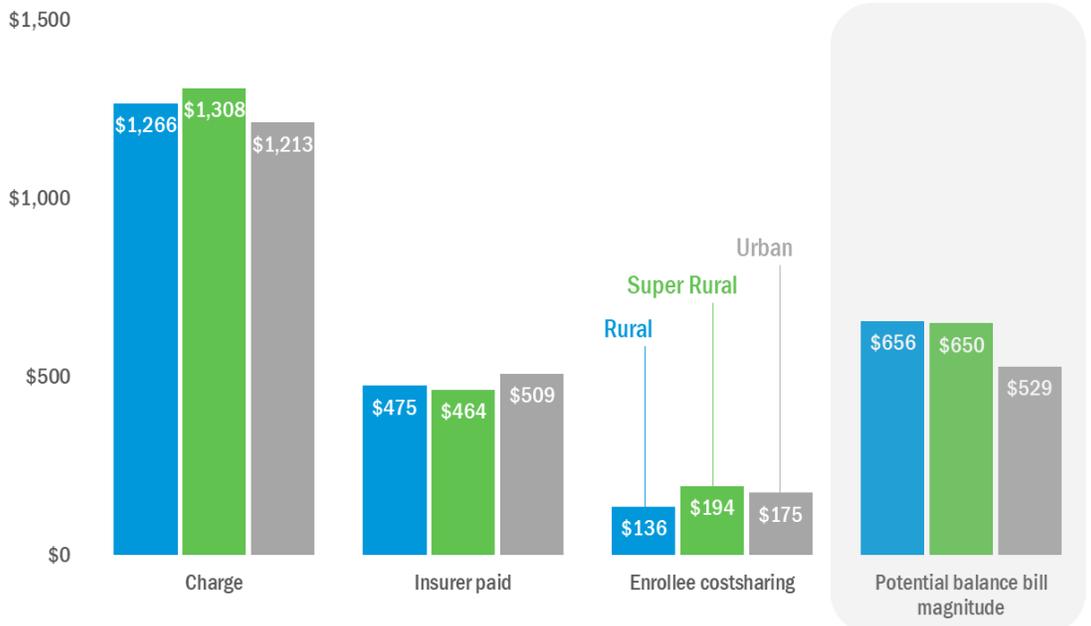
Provided from OIC APCD Analysis presented at Advisory Group on March 31, 2023

Currently, emergency transports are most likely to be covered by commercial health plans. For one of the most common services provided, BLS-emergency transport (CPT A0429), the difference between cost-sharing and billed charges for the service resulted in potential balance bills of over \$500 in all geographic area designations.

**Chart 4. Average Charges, Paid Amounts and Potential Balance Bill Magnitude**

Average charges, paid amounts, and potential balance bill magnitude for basic life support emergency transport (A0429)

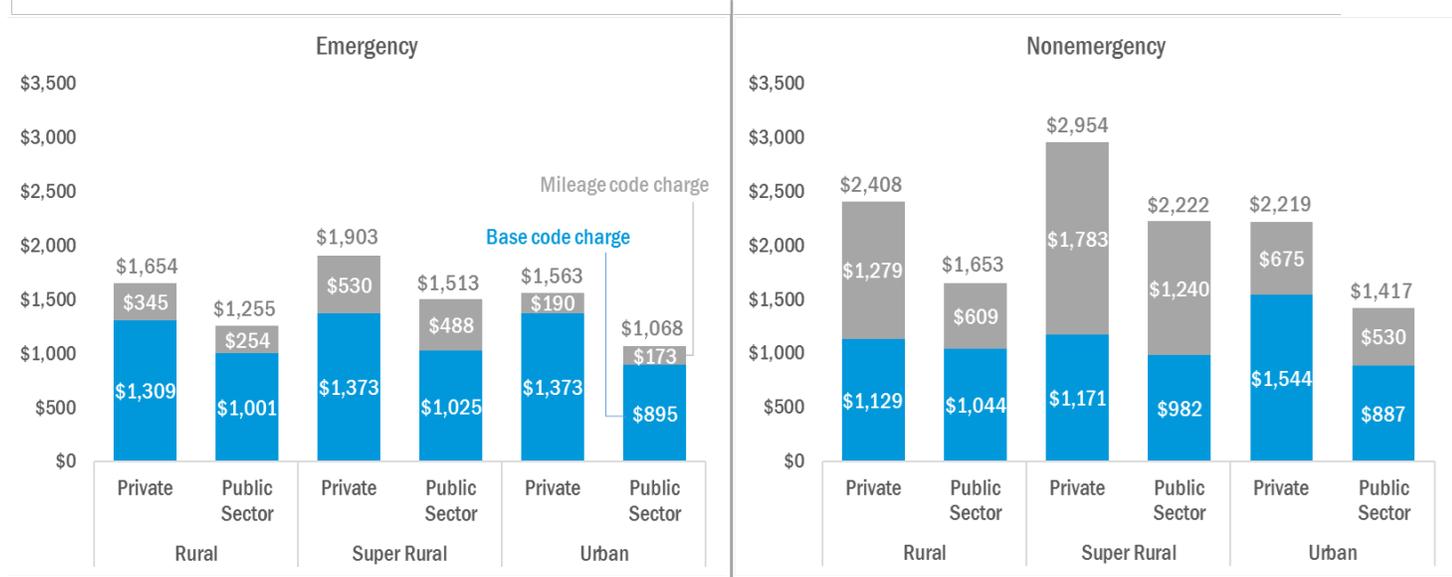
Only includes claims where the allowed amount was less than the billed charges



Mileage is a separate component of ground ambulance services and is usually paid separately from transport. The difference between the allowed amount and billed charges for mileage are another potential source of balance billing for consumers, with a greater burden falling on consumers in rural and super rural communities.

**Chart 5. Average Base Code and Mileage Charges for Out-of-Network Ground Ambulance Services**

The average base code and mileage code billed charges for out-of-network ground ambulance services, 2019 - 2022Q2. The average mileage billed charges tend to be higher for nonemergency and rural claims.

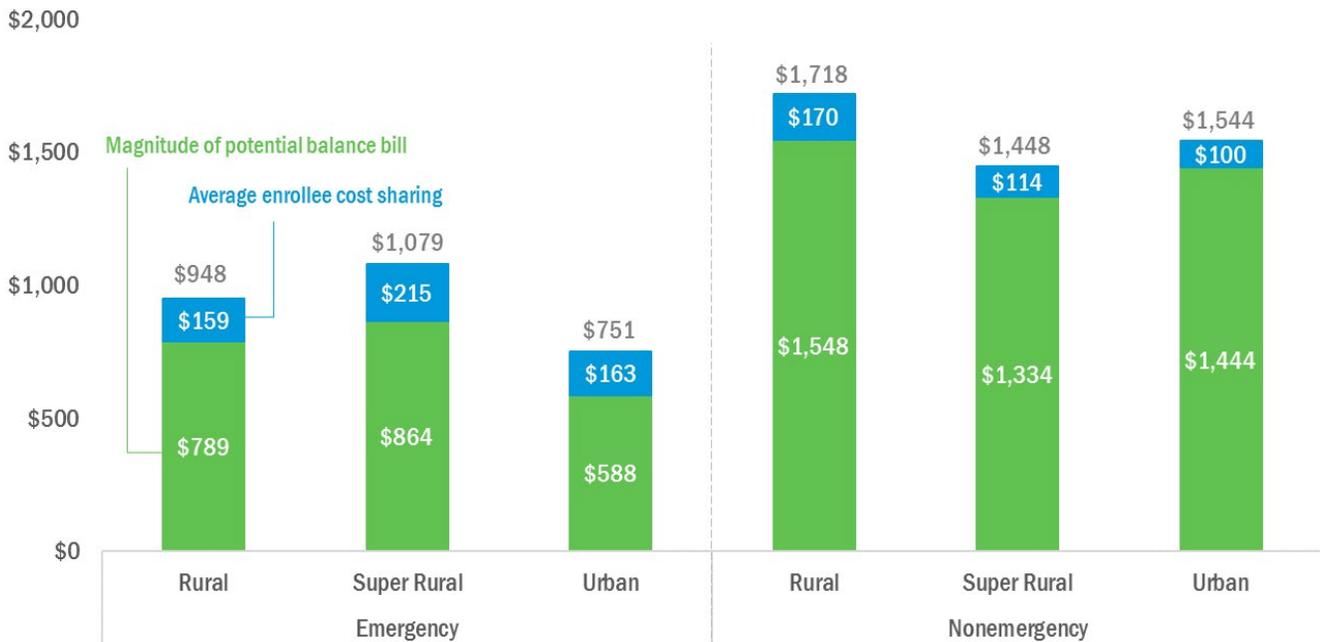


Even with insurance, the high cost of ambulance services can be a surprise to consumers who have yet to meet their annual plan deductible or who have cost-sharing based on coinsurance rather than a fixed copayment. In the APCD analysis, even when appropriate cost-sharing was factored in, consumers still faced a potential balance bill in excess of \$500, no matter their EMS provider or geographic location. A [report completed in 2021](#) found that one-third of insured patients cannot afford a surprise medical bill of \$1,000 or more, and 47% of insured patients cannot pay an emergency expense over \$400 without borrowing money or selling assets.

**Chart 6. Enrollee Cost Exposure for Ground Ambulance Services**

**Enrollee cost exposure for ground ambulance services, 2019-2022Q2**

The average enrollee cost sharing and magnitude of potential balance bills by ownership type



Source: OIC APCD Analysis presented to Advisory Group on March 31, 2023

The burden of balance billing falls on insured consumers who are at increased risk of incurring medical debt as a result of the high cost of covered services and balance billing. The consequences of medical debt are severe for consumers. They can face garnishment of wages and damage to their credit scores. Per [RCW 19.52.010](#), they can be charged an interest rate of up to 9% on their medical debt or face debt collectors who can charge 50% of the principal fee when collecting on behalf of public entities ([RCW 19.16.500](#)). They can be sued by debt collectors for failure to pay, resulting in additional court fees. This entrenches consumers in a cycle of debt collection and potential poverty as a result of receiving life-saving care.

While EMS providers often provide charity or hardship care to patients, it is an entirely voluntary program. In the Ground Ambulance Provider survey, 70% of respondents said they offered some sort of charity care or hardship program to consumers. In contrast to Washington state’s hospital charity care law, there is no requirement in state law related to charity care for ambulance services. The public policy challenge is to balance the potential harm to consumers with the need to maintain access to EMS services.

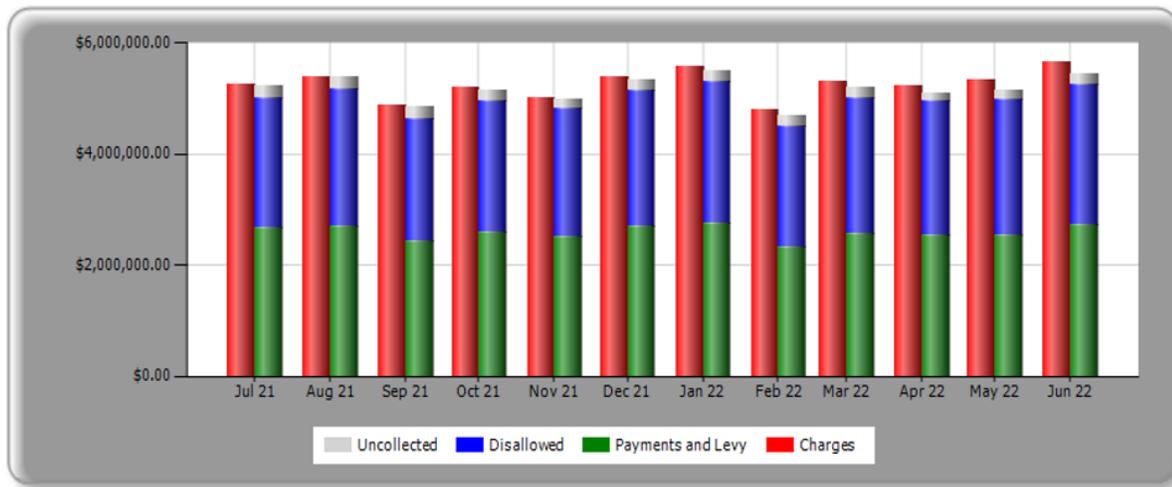
Systems Design West, LLC, an EMS and ambulance billing service, shared the chart below with the advisory group. It depicts annual collection statistics between July 2021 and June 2022, of a subset of public EMS providers in Washington. These EMS providers responded to and transported 62,653 patients. The total charges for those services were \$62,999,208.88. Over half of the billed charges were either disallowed, uncollected, or still pending in collections from patients.

**Chart 7. Annual Collection Statistics (07/01/2021-06/30/2022) for Public EMS Agencies**

ANNUAL COLLECTION STATISTICS	
Date Of Service	7/1/2021
Date Of Service	6/30/2022

Month	Tickets	Charges	Payments	%	Levy	%	Disallowed	%	Uncollected	%	Pending	%
Jul 21	5279	5,259,176.81	-2,352,910.18	45 %	-329,160.20	6 %	-2,339,169.23	44 %	-208,727.01	4 %	29,210.19	1 %
Aug 21	5394	5,392,777.94	-2,388,974.41	44 %	-312,822.19	6 %	-2,476,232.06	46 %	-193,071.06	4 %	21,678.22	0 %
Sep 21	4904	4,876,383.62	-2,133,740.70	44 %	-297,681.73	6 %	-2,190,789.83	45 %	-217,510.11	4 %	36,661.25	1 %
Oct 21	5207	5,196,225.63	-2,298,658.62	44 %	-297,279.69	6 %	-2,370,742.80	46 %	-189,018.54	4 %	40,525.98	1 %
Nov 21	5086	5,020,101.03	-2,215,046.76	44 %	-301,062.16	6 %	-2,290,987.87	46 %	-162,038.41	3 %	50,965.83	1 %
Dec 21	5403	5,391,933.20	-2,364,624.83	44 %	-339,163.90	6 %	-2,435,030.22	45 %	-201,229.97	4 %	51,884.28	1 %
Jan 22	5470	5,577,297.21	-2,376,705.20	43 %	-369,689.46	7 %	-2,552,321.07	46 %	-187,285.30	3 %	91,296.18	2 %
Feb 22	4705	4,791,782.29	-2,044,513.11	43 %	-289,960.74	6 %	-2,174,198.02	45 %	-187,978.21	4 %	95,132.21	2 %
Mar 22	5250	5,301,529.93	-2,258,288.33	43 %	-319,522.69	6 %	-2,429,075.46	46 %	-181,206.15	3 %	113,437.30	2 %
Apr 22	5131	5,211,898.92	-2,251,684.78	43 %	-294,330.40	6 %	-2,407,668.98	46 %	-133,108.89	3 %	125,105.87	2 %
May 22	5310	5,319,254.22	-2,233,247.80	42 %	-292,397.40	5 %	-2,445,780.10	46 %	-162,912.71	3 %	184,916.21	3 %
Jun 22	5514	5,660,842.08	-2,413,474.30	43 %	-321,483.11	6 %	-2,523,779.25	45 %	-186,484.24	3 %	215,621.18	4 %
<b>62,653</b>	<b>62,999,202.88</b>	<b>-27,331,869.02</b>	<b>-3,764,553.67</b>		<b>-28,635,774.89</b>		<b>-2,210,570.60</b>		<b>1,056,434.70</b>			

All amounts shown relate directly to each month's charges.



Source: Systems Design West presented to Advisory Group on March 31, 2023

The burden of payment is falling primarily on commercially insured patients and health plans who despite only accounting for 19% of transports between July 1, 2021 and June 30, 2022, accounted for 33% of the payments received by these EMS agencies.

# Current Ground Ambulance Balance Billing Protections

The data shared above illustrates the financial burden that balance billing for ground ambulance services can have on consumers who have experienced an unanticipated emergency. Steps have been taken or are being considered to address this problem at both the federal and state level.

## **Ground Ambulance Balance Billing Protections-Federal**

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### ***Advisory Committee on Ground Ambulance and Patient Billing (GAPB)***

As directed by Congress in the No Surprises Act, CMS has assembled the [Advisory Committee on Ground Ambulance and Patient Billing \(GAPB\)](#) to assess ground ambulance balance billing. They are reviewing options to improve the disclosure of charges and fees for ground ambulance services, better inform consumers of insurance options for such services, and protect consumers from balance billing. Their report to Congress, with any findings and recommendations, is due in November 2023. To date, the committee has held public meetings in May and August, and has meetings scheduled in October and November. The committee also established two subcommittees.

At the time of this report, no formal recommendations have been made by GAPB. OIC will share any final recommendations with the appropriate policy and fiscal committees of the Washington legislature when the report is released.

### ***Medicare Ground Ambulance Data Collection System (GADCS)***

To assess the appropriateness of Medicare reimbursement for ground ambulance services, Congress directed CMS to create the [Medicare Ground Ambulance Data Collection System \(GADCS\)](#). GADCS requires a four cohorts of ground ambulance providers to report one year's worth of data to GADCS. This data includes the organization's costs, revenue, and utilization of ground ambulance services. The data collection began on January 1, 2020, and will go through January 1, 2024. This data will be reported to MedPAC who will analyze the data and make recommendations to Congress about appropriate reimbursement for ground ambulance services. As data collection is still underway, there are no recommendations or data available at the time of this report.

## **Ground Ambulance Balance Billing Protections-Other States**

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Twelve states have enacted ground ambulance balance billing laws. Legislation also is pending in the California legislature, where it has passed the Assembly and is currently being considered in the Senate. These laws vary with respect to the route chosen to protect consumers. Some set rates for out-of-network ground ambulance provider payments and some use a negotiated rate approach. All but Arkansas expressly prohibit ground ambulance balance billing.

**Table 9. Ground Ambulance Balance Billing Protections by State**

State (Year of Enactment)	Protects Consumers from Surprise Bills	Regulates Reimbursement Rates for Out-of-Network Providers	Rate of Reimbursement Guidance	Protections Apply to Public/Private Providers?	Applies to Emergency or Non-Emergency Care	Notes
<a href="#">Arkansas (2023)</a>	Yes	Yes	Minimum allowable reimbursement at: (1) Rate set by local government entity or; (2) the lesser of; (i) Rate established by the Worker’s Compensation Commission or; (ii) the provider’s billed charge.	Both	Applies to emergency and non-emergency transportation.	Requires payment be regarded as payment in full, with exception of applicable enrollee cost-sharing. Does not explicitly ban balance billing or limit applicable cost-sharing to in-network amount
<a href="#">Colorado (2019)</a>	Yes	Yes	(1)325% of Medicare; or (2) a negotiated independent reimbursement rate	Private only	Applies only to Emergency services	N/A
<a href="#">Connecticut (1988)</a>	No	Yes	The lesser of: (1) the maximum allowable rate established by commissioner annually or; (2) Providers charged amount	Both	<i>Applies only to emergency services</i>	Does not explicitly ban balance billing or limit applicable cost-sharing to in-network amount but does set firm rates for costs adjusted annually.
<a href="#">Delaware (2001)</a>	Yes	No	N/A	Both	<i>Applies only to emergency services</i>	Does not apply to volunteer fire departments
<a href="#">Louisiana (2023)</a>	Yes	Yes	Minimum allowable reimbursement rate to out-of-network provider at: (1)a rate set or approved by local government entity or; (2) If no rate set or approved, the lesser of 325% of	Both	Applies only to emergency services	Cost-sharing must be based on applicable in-network amount

			Medicare or the provider's billed charge.			
<a href="#">Illinois (2011)</a>	Yes	No	N/A	Both	Applies only to Emergency services	N/A
<a href="#">Maine (2020)</a>	Yes	Yes	Out-of-network provider's rate	Both	Will apply to both as of 10/25/2023	Through Dec. 2023 carriers are required to reimburse out-of-pocket network providers at the lower of the provider's rare or 180% of Medicare, plus any adjustments for transfer of Medicaid recipients by providers in rural or super-rural areas.
<a href="#">Maryland (2015)</a>	Yes	No	Sets minimum payment at amount paid to an ambulance service provider under contract with the carrier for the same service in the same geographic region.	Public only	Applies to covered services (which can include non-emergency services, as well as emergency services)	Balance billing protections only apply if the ambulance service provider obtains an assignment of benefits from the insured.
<a href="#">New York (2015)</a>	Yes	Yes	Usual and customary rate, which cannot be excessive or unreasonable	Both	Applies only to Emergency Services	-Does not apply to interfacility transportation Usual and customary rate is not defined in law or regulation and is set forth in insurance contract.
<a href="#">Ohio (2020)</a>	Yes, for emergency services	Yes; reimbursement at the greatest of three rates and provides for negotiation/arbitration process.	Insurer must reimburse at based on greatest of: (1) median in-network rate (2) Usual, customary, and reasonable amount; (3) Medicare rate; or	Both	Applies only to Emergency services	N/A

			(4) Provider may negotiate reimbursement. If not successful in 30 days, may proceed to arbitration.			
<a href="#">Texas (2023)</a>	Yes	Yes	(1) an amount set by a political subdivision and filed with the state or; (2) the lesser of; (i) 325% of Medicare or; (ii) the provider's billed charge	Public	<i>Applies only to emergency services</i>	Law expires on Sept. 1, 2025.  Separate statutes apply to HMOs, health benefit plans, and insurers.
<a href="#">Vermont (1994)</a>	Yes, for emergency services	No	N/A	Both	Applies only to Emergency services	N/A
<a href="#">West Virginia (1997)</a>	Yes	Yes	Provider's normal charges	Both	Applies only to state government programs in non-emergency situations	Does not apply to PPO plans

Amended from Center on Health Insurance Reforms (CHIR) [Commonwealth CHIR](#) blog post ( November 15, 2021).  
Please visit [CHIR blog](#) for more detailed information and [interactive map](#).

# Policy Recommendations and Key Findings

## Advisory Group Process for Development of Policy Recommendations and Key Findings

In the course of advisory group discussions, several policy options to end balance billing for consumers were reviewed. While there was broad consensus that balance billing for consumers should be prohibited, the focus of discussion was avoiding unintended consequences impacting availability of and access to ground ambulance services.

In the July and August meetings of the advisory group, 22 options were compiled from the members. Advisory group members were asked to rank these options from 1-22, with 1 being the option they most supported and 22 being the option they least supported. The members also were asked whether the option should apply to public providers, private providers, or both, and whether it should apply to emergency services, non-emergency services, or both.

*Note: In the original ranking there were 23 options. This was due to the option 'Cost-based reimbursement' (similar to Critical Access Hospital) being listed twice on the spreadsheet.*

The policy options were ranked as either a policy recommendation or a finding. This distinction was made to remain true to the scope of the Legislature's direction, i.e., how ground ambulance balance billing for commercially insured consumers can be prevented. A policy recommendation is something that an advisory group member would support as a recommendation to the legislature. A finding is considered important and should either be studied further or at a minimum brought to the attention of the legislature, if not addressed directly through a policy recommendation.

The following options were discussed and presented to the advisory group for ranking:

**Table 10. Policy/ Finding Options for Advisory Group**

Policy/Findings Options	
End balance billing for consumers	Develop reimbursement model that manages prices appropriately
No distinction between in-network and OON status for ground ambulance	Coverage for transport to alternative sites
Ground ambulance services not subject to deductible (except high-deductible health plans with qualifying health savings accounts)	Coverage of non-covered services such treat, but no transport
Cost-based reimbursement (similar to Critical Access Hospital)	Coverage for unloaded miles
Cap OON ground ambulance rate at 150% of Medicare for providers that refuse to contract at a market rate	Increase Medicare reimbursement

Reimburse at full billed charges	Increase Medicaid Reimbursement
Reimbursements at 350% of Medicare	Maintain GEMT program with current scope of allowable costs
Reimburse at applicable local government/jurisdiction approved rate	Continue QAF beyond current expiration date (07/01/2028)
Reimburse at applicable local jurisdiction fixed rate, or if no local rate, at lesser of fixed percentage of Medicare (e.g., 325%) or billed charges	Enhance QAF funding (subject to federal 6% cap on provider tax/donations programs)
Ensure mechanism is set up for providers to dispute improper payment	EMS local levy authority increase
Allow self-insured groups to opt into any protections	Make EMS an essential health service that is provided by states and funded by federal, state and/or local funds

Advisory group members were given the option to respond individually or to submit a single ranking sheet for their organization. A total of nine ranking sheets were submitted by the deadline. As two were identical, seven ranking spreadsheets with comments were presented. Three of the seven respondents were ground ambulance providers, one was a consumer advocate, two were health carriers, and one was a division of HCA.

The following recommendations and findings are presented after careful review and consideration. A full summary of comments and rankings are posted on the [OIC ground ambulance surprise billing website](#).

## Policy Recommendations

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### ***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 that accompanied this policy option focused mainly on finding alternative revenue sources for ground ambulance providers to maintain the financial viability of their operations. There also was concern that by banning balance billing, the cost of services could be shifted elsewhere, such as increased premiums or consumer cost-sharing.

### ***Reimburse ground ambulance services at applicable local jurisdiction 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 closely related policy options that received high rankings. The APCD claims data 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 appropriateness of the 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 jurisdictions' 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

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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 department 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 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 that is 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 if the EMS systems in Washington should be considered and funded as an essential public health service similar to fire and police responses.

# Conclusion

Advisory group members confronted the public policy challenge of balancing the harm experienced by consumers who are balance billed with the need to sustain critical EMS systems and the services they provide. OIC greatly appreciates the time invested and good faith participation of all members of the advisory group. Their insights were critical to production of this report and its accompanying policy recommendations and findings.

There are 478 licensed EMS agencies in Washington state, 299 of which provide emergency transportation for Washington residents in need. The burden of funding this care should not fall disproportionately on commercially insured consumers. To this end, this report's recommendations and findings are intended to strike a reasonable, balanced approach to addressing this challenge. The EMS system is complex and critical to the health of all Washington residents; it should be appropriately funded and equitably accessible and affordable for all consumers.

# Appendices

## Appendix A: Advisory Group Members

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### **Members**

First Name	Last Name	Organization
Cathy	MacCaul	AARP
Curtis	Steinhauer	Association of Washington Counties
Emily	Brice	Northwest Health Law Advocates
Shawn	Baird, CEO	Olympic Ambulance
Alex	Hamasaski	Patient Coalition of Washington
Jeff	Faucett, Fire Chief	South Kitsap Fire Rescue
Jenn	Braus	Systems Designs West, Billing Agency
Shaun	Ford	Washington Fire Chiefs
Dylan	Doty	Washington Fire Chiefs
AJ	Johnson	Washington State Council of Firefighters
Bud	Sizemore	Washington State Council of Firefighters
Mike	Battis	Washington Ambulance Association
Paul	Priest	Washington Ambulance Association
Dennis	Lawson	Washington State Council of Firefighters
Mike	Westland	Washington State Council of Firefighters
Rhonda	Holden	Washington State Hospital Association
Pat	Songer	Washington State Hospital Association
Samuel	Wilcoxson	AWHP (Premera)
Katherine	Therrien	AWHP (Aetna)
Eric	Koreis	Association of Washington Cities
Tom	Huntington	Association of Washington Cities

### **Observers**

First Name	Last Name	Organization
Paul	Berendt	American Medical Response
Catie	Holstein	DOH
Michelle	Corral	HCA
Stefanee	Hale	HCA
Abby	Cole	HCA/Medicaid
Shawna	Lang	HCA/ERB
Mark	Streuli	Olympia Ambulance
Aya	Samman	Washington Ambulance Association
Jacob	Ewing	Association of Washington Cities
Lisa	Gaulin	Mass AGO

Elyssa	Penner-champlin	HCA
Desiree	Comfort	CVS Health
Lucy	Crow	HCA
Cade	Walker	HCA
Andrea	Philhower	HCA

***Project Team***

First Name	Last Name	Organization
Simon	Casson	OIC
Sydney	Rogalla	OIC
Joseph	Joo	UW Health systems collective
Ashok	Reddy	UW Health systems collective
Anh	Le	UW Health systems collective
Joy	Lee	UW Health systems collective
Wendy	Choy	Washington State Auditor

## Appendix B: Glossary of Terms

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*Glossary is in alphabetical order*

- **Advanced life support (ALS):** The most advanced level of care that can be provided by first responders or paramedics. It is provided in the event of a life-threatening illness or injury until full medical care can be provided. Can perform all BLS and ILS services as well as intubate patients in the field and perform chest decompression. This care can only be provided by certified paramedics.
- **Aid service:** An EMS service that operates one or more aid vehicles to respond to calls and provide initial care on an emergency scene. These vehicles respond to 911 calls but are not able to transport patients as most are not designed to carry stretchers.
- **Air ambulance:** EMS service that operates one or more air ambulance vehicles that respond to calls, provide patient care and transport patients to facilities. These can carry stretchers. Air ambulances can either be helicopters or fixed-wing aircraft.
- **All-Payer Claims Database (APCD):** Washington states database that includes medical, pharmacy, and dental claims, as well as eligibility and provider files reported directly to the state by insurers.
- **Allowed amount:** This is the maximum amount the plan will pay for a specific covered health care service (i.e., x-ray, flu shot, office visit).
- **Balance Billing Protection Act (BBPA):** Act passed by Washington legislature in 2019 and amended by E2SHB 1688 in March 2022 than bans balance billing in a variety of settings.
- **Balance billing:** The practice of a provider billing a patient for the difference between the provider's charges for services and the allowed amount. Also known as surprise billing.
- **Basic life support (BLS):** The basic level of care provided by first responders in the event of a life-threatening illness or injury until full medical care can be provided. Can perform CPR, take vitals, control bleeding, provide certain medications, etc.
- **Billed charges:** The total amount charged and submitted by the provider to the health carrier for reimbursement.
- **Charity care/hardship care (financial aid):** Health care provided at free or reduced rates for patients and families with low-income.
- **Co-insurance:** The percentage of a healthcare bill that patients pay for health care services that are not fully covered by health insurance. Co-insurance can vary by type of service.
- **Copayments (Copays):** A fixed dollar amount that a patient pays to a medical provider for services in addition to what is paid by the insurance provider. This amount varies by service.
- **Cost:** Most commonly used by providers and refers to the calculation of total cost of their service based on supplies used, mileage traveled, hourly rate of response team, etc.
- **Cost-sharing:** The amount patients pay for health care services that aren't fully covered by insurance, including copayments and co-insurance.
- **Current procedural terminology (CPT):** The language used by health care professional and health carriers for uniform coding of medical services and procedures. Used to streamline reporting and increase accuracy and efficiency.
- **Deductible:** The amount paid by the individual or family before insurance covers a part of the services. Deductibles vary for individuals and families.

- **Emergency medical services (EMS):** Services that provide emergent pre-hospital services for life-threatening illnesses or injuries. Including transportation to the nearest emergency department.
- **Emergency Medical Treatment and Active Labor Act (EMTALA):** A law passed in 1986 by Congress requiring hospitals with emergency departments to provide emergency medical services and examinations (including active labor) regardless of a person's ability to pay. They are also required to stabilize the patient. This also means that no emergency department visit can be considered out-of-network and consumer cost-sharing must be billed at the in-network cost-sharing rate.
- **Emergency services:** Also known as emergency care or emergent care, these are services given in an emergency room to prevent death or serious damage to the patient. This includes mental health crisis stabilization services.
- **Emergency services supervisory organization (ESSO):** An organization such as law enforcement agencies, search and rescue operations, and businesses with industrial organized safety teams provide initial medical treatment for on-site medical care prior to dispatch of EMS services. The organizations do not respond to 911 calls and do not provide transport to patients.
  - *Example: A coinsurance of 20% means a patient is responsible for 20% of the allowed amount while the health insurance provider is responsible for the remaining 80%.*
  - *Example: Copayment of \$25.00 to visit a primary care provider and \$50.00 copayment to see a specialist care provider.*
- **Fee for service:** The most common type of health care payment method based on a fee schedule established by a health care provider for each service and procedure that they provide.
- **Ground ambulance:** An ambulance used to transport patients with a traumatic illness or injury that require emergency medical services, or an ambulance (EM) used to transport patients in non-emergent situations who require extra assistance for interfacility and specialty care transport.
- **In-network (participating) (IN):** A provider or facility who is contracted with your health insurance plan.
- **Interfacility transport:** Transport of a patient between two healthcare facilities via ground ambulance. Examples include transport between hospitals and hospice care centers, transportation to dialysis centers, etc.
- **Intermediate life support (ILS):** More advanced than BLS, it is mid-level care provided to a person with a life-threatening illness or injury until full medical care can be provided. Can provide all basic life support and start IV, administer a wider array of medications, etc.
- **Loaded miles:** Miles driven by a ground ambulance with a patient in the vehicle being transported to a hospital or alternative destination.
- **No Surprises Act (NSA):** Act passed by Congress and took effect in January 2022, overlapped with Washington state BBPA. Bans balance billing in a variety of settings.
- **Non-emergent services:** Care or services provided in any setting that are not an emergency or medically necessary to prevent death or serious damage to the patient. This includes planned surgeries and scheduled appointments in a provider's office.
- **Out-of-network (non-participating) (OON):** A provider or facility who does not have a contract with your health insurance provider.
- **Rate:** Fixed amount established by the health insurance carrier.

- **Specialty care transport:** Interfacility transport for critically injured or ill patients that requires care beyond EMT-Paramedic level care, such as a critical care nurse.
- **Surprise billing:** When a patient unknowingly or unavoidably receives health care services from a provider outside of their health insurance provider's network. Then they are billed the difference between the provider's charged amount for the care and the allowed amount.
- **Trauma verified (verification):** The process by which an aid or ambulance service are endorsed by DOH to respond to 911 calls and treat and/or transport trauma patients to hospitals designated to provide trauma care.
- **Unloaded miles:** Miles driven by a ground ambulance without a patient being transported in the vehicle.