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NEWS RELEASE

FOR IMMEDIATE RELEASE

December 22, 2011

**CALIFORNIA AMBULANCE SERVICE PROVIDERS DENOUNCE
MEDI-CAL REIMBURSEMENT CUTS**

Calls Decision by State Department of Health Care Services a Hidden Tax That Will Ultimately Result in Delayed Implementation of Life Saving Procedures, Increased Response Times, and Higher Premiums and Deductibles For Insured Patients

Sacramento, Calif., December 22, 2011 – The California Ambulance Association (CAA), which represents the State’s emergency ambulance service providers, is denouncing the California Department of Health Care Services (DHCS) decision to cut Medi-Cal reimbursement rates, and calls into question DHCS’ continued practice of increasing costs on insured patients and diminishing the quality of emergency 9-1-1 care for all Californians in order to subsidize the Medi-Cal program.

The State’s most recent cuts will reduce Medi-Cal reimbursement rates for paramedic level emergency ambulance transports to \$104. This rate is below the 1998 reimbursement level and is hundreds of dollars below the hard costs of providing the service. Unlike other non-emergency health care providers, ambulance services who treat and transport Californians in a medical emergency, must take all patients regardless of their ability to pay.

“What is happening to our industry is no different than if the State forced all grocery stores to give out half of their food for free and then told stores to triple the cost for those who pay and lower the quality of their products to help make up for the loss. Medi-Cal has new policies that will negatively impact every Californian, and their position is that they are not responsible for these negative outcomes as long as all our emergency patients are impacted in the same manner”, said Brenda Staffan, Executive Director of the CAA.

Private ambulance providers do not receive taxpayer subsidies and there is no reimbursement for more than 50% of the emergency services they provide. Ultimately, these cuts will result in a hidden tax on privately insured Californians who already pay higher premiums, deductibles and copays in order to pay for the millions of Californians treated under the Medi-Cal system. Reduced reimbursements will ultimately impact access to care for all Californians through extended response times to emergencies or delayed implementation of life saving procedures or equipment.

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Background

Medi-Cal is implementing a permanent 10% reduction in Medi-Cal rates for emergency and interfacility ground ambulance services retroactive to June 1, 2011. The new permanent lower rate is scheduled to go into effect on December 31, 2011 and will only cover about one fifth of the actual cost of emergency service. Medi-Cal officials rejected the CAA's request for an exemption from the rate cuts despite numerous independent studies and additional evidence from the state wide 9-1-1 EMS system that demonstrates that access to patient care is already being impacted by severely below-cost Medi-Cal rates.

About the CAA

Founded in 1948, the California Ambulance Association (CAA) represents the interests of emergency and interfacility ambulance service providers serving rural, suburban and rural areas in nearly every county of the state of California. As healthcare's first responders, the association is dedicated to assuring the delivery of excellent pre-hospital care to the people of California by promoting recognized industry best practices.

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