



Association of Air Medical Services

Changes to Reimbursements for Veterans Health Services Threatens Air Ambulance Sustainability **Support S. 2757, the VA Emergency Transportation Access Act**

Our Veterans are in jeopardy of losing access to vital emergency and non-emergency ground and air ambulance services. Ambulance services play a key role in the health care safety net for our Veterans, especially those living in rural areas without access to emergency care. Veterans' access to this critical medical lifeline will be in real jeopardy if the Department of Veterans Affairs (VA) proceeds as planned with implementation of a final rule that would change reimbursement for certain ambulance services.

Background

AP89-Final Rule-Change in Rates VA Pays for Special Modes of Transportation is set to take effect on February 16, 2024. This rule amends Veterans Health Administration (VHA) regulations regarding reimbursement for ambulance transport of VHA beneficiaries. It proposes a new payment methodology for those services based on rates paid by Medicare Part B. However, VHA's impact analysis of the rule combines ground and air ambulance claims together, resulting in a massive reduction to air ambulance service. In response to questions about expected impact, VHA states that they are unable to disaggregate the millions of ground ambulance transports from the few thousand air transports.

This Rule will result in a staggering reduction in reimbursement for transportation of VA beneficiaries, resulting in decreased access to services for Veterans needing transport by air ambulances for life-threatening conditions. These changes will significantly and immediately affect air ambulance providers' ability to sustain access to air ambulance services, especially in rural areas where air ambulances are a lifeline to Veterans' care. Based on air ambulance cost and reimbursement data, the proposed rates fall far short of covering the costs associated with air ambulance transports.

Impact

- **VHA Estimate: 13% decrease in VHA payments to ambulances.**
- **AAMS Estimate: 90% decrease in VHA Payments to air ambulances.**

The Solution

Support *S.2757, the VA Emergency Transportation Access Act*, a bipartisan approach introduced by Senators Tester, Moran, Murray and Boozman. In summary, the bill would bar the VA from reducing rates of pay/reimbursement for special mode transportation providers until or unless the VA meets certain requirements.

- Requirements that must be met before pursuing a rate change:
 - The VA Secretary must conduct a thorough review of rates change with regard to economic impact and impacts on access to care for Veterans;
 - This review must be conducted in consultation with industry experts, CMS, appropriate VA subject matter experts, and Veteran service organization;
 - The Secretary must develop a formal process of updating the rates that protects or expands current access levels; and
 - The new rates must be confirmed to reflect the actual costs of transportation.
- If a future change allows for the establishment of contracted rates other than the Department's established rates, VA must provide a standardized template for these contracts and submit it to Congress for feedback. VA must also issue guidance regarding the template across appropriate Department offices and the special mode transportation industry.
- All requirements considered effective January 1, 2023.