

Explanation of Action to Amend the Ambulance Fee Schedule

The last rate increase took place on February 28, 2011. After review of our rates by Medical Reimbursement Services (MRS), our ambulance billing collection firm, they informed us Medicare, MaineCare, and BlueCross do not pay for supplies and other private insurance companies are starting to deny the supplies also. We should raise our rates due to the exclusion of supplies reimbursement and to be in line with the prevailing market. By increasing our base rates and dropping the additional charges for items like oxygen, I.V. therapy and EKG we feel that we will recoup more of our actual costs through the base rate charge.

Currently the private insurance companies Cigna and Aetna are denying supplies. MRS can and does call CIGNA to get the supplies paid, but Aetna will not allow MRS to call them. If the patient calls, Aetna will pay the supplies. MRS informs the patients of this, but in almost all cases, the patient never follows through. As for most of the other private insurance companies, they do pay the supplies, but the industry trend is moving away from that practice. We feel that an increase in our base rates (inclusive of supplies) has a greater likelihood of being reimbursed at the full amount. Therefore, we propose changing our rate structure to inclusive rates as listed below. If we keep transporting the same number of patients Falmouth could see an increase of \$8,000 annually with the new fee schedule.

Falmouth has contracts with:

Medicare (and any other government policy (Tri-Care, Railroad Medicare, ChampVa, VA) - about 60% of transports

MaineCare (Medicaid) about 5% of transports

Anthem BlueCross about 10% of transports

Following is the table of our rates as of July 9, 2013 and the new rates.

| <u>Service</u> | <u>Current Rate</u> | <u>All Inclusive Rate</u> |
|-------------------|---------------------|---------------------------|
| BLS | \$400 | \$600 |
| ALS | \$500 | \$900 |
| ALS 2 | \$700 | \$1,200 |
| BLS Non-emergency | \$275 | \$400 |
| ALS Non-emergency | \$400 | \$500 |
| SCT | \$0 | \$1,200 |
| Miles | \$14 | \$16 |
| Oxygen | \$75 | \$0 |
| I.V. | \$125 | \$0 |
| EKG | \$120 | \$0 |
| Defib | \$100 | \$0 |
| Air Way | \$100 | \$0 |