

Air Ambulance Services

Budget Cuts Will Threaten Providers

Emergency helicopter air ambulance providers provide a critical link between rural areas and urban tertiary care hospitals (trauma centers, heart/stroke centers, burn units, etc.). They are an essential part of the Statewide EMS system.

While they only represent a fraction of a percent of the budget (\$13 million), they provide an essential life-saving service, and are being threatened by the current Medi-Cal rates, much less a reduced rate that an across the board cut could bring.

It is important to consider a few facts when considering these budget cuts:

- They are required to transport all patients who need it, regardless of their ability to pay. Consequently, they have an unusually high percentage of Medi-Cal and Indigent patients.
- The current Medi-Cal rates for air ambulance have not been updated for 15 years! The current rates are far below their cost of providing the service. Providers are losing money on every Medi-Cal transport.
- Current Medi-Cal base rates for helicopter services are only 40% of the average Medicare rates in CA, which are similarly inadequate to cover costs. In rural areas this can fall below 35%. Fixed Wing base rates are similarly inadequate averaging only 33% of Medicare.
- In 2007, Medi-Cal paid air ambulances a total of \$13.8 Million on 4,654 claims. Should they be subject to an across the board rate cut of 10%, the State would save less than \$700 thousand after losing the federal match.
- Over 90% of the air ambulance services in CA are operated by private, non-government providers, who receive no tax subsidy. To survive they must be able to cover their cost on all types of patients.

Air ambulance services provide essential transportation to critical patients when ground transportation is not fast enough. They are critical to the survival of patients. We ask that you do not cut these essential services.

For more information about the effects of these cuts, please contact Kathryn Scott at 916.812.7406 or Bill Bryant at 972-567-0539.