UNITED AMBULETTE COALITION
Preserving Your Lifeline to Critical Care

JOINT LEGISLATIVE HEARING ON HEALTH
TRANSPORTATION INITIATIVES IMPACTING NYC PROVIDERS
February 28, 2023

On behalf of the United Ambulette Coalition, representing New York City ambulette providers, we want to first thank you for the opportunity to submit testimony.

As background, The United Ambulette Coalition is a not-for-profit industry advocacy group providing a voice for New York City ambulette providers on issues impacting industry sustainability, and in so doing helping to ensure that the Medicaid enrollee most in need of safe, timely access to what is often a life sustaining treatment, like dialysis, continues to receive it.

As always, in conversation with the Legislature, we feel it is important to highlight the critical nature of the service we perform, never been better illustrated than at the height of the COVID pandemic. At its peak, prior to vaccinations existing, and when most of New York City was completely shut down, we continued to serve. While most were working remotely and safely from home, and when NYC buses, taxis and livery cars were non-operational, Ambulettes continued unfailingly to ensure access for the Medicaid enrollee, many whose life would have been jeopardized had we not continued to provide access to dialysis facilities and NYC hospitals. Our drivers, mechanics and support staff put their own health in jeopardy daily.

Without overstating our role, it is fair to suggest many of the most vulnerable of our population would be in a serious predicament, unable to seamlessly access care and treatment were it not for the service we provide. The likely outcome would be an overburdened EMS system, leading to E.R. transports and multi thousand-dollar overnight hospitalizations, at a far greater expense to the Medicaid program relative to the comparatively minimal cost of an ambulette transport.

Issue – Properly Funding Reimbursement Rates

Presently, the expense of handling a transport has hyperinflated, as illustrated herein, far beyond the 7% we hear about daily, and reimbursement rates have failed to adjust. Presently, the New York City provider is unprofitable and without rate relief, in an unsustainable financial position.

Note, a Rate Study was conducted by DOH many months ago and we are confident in suggesting the results of this cost study will affirm the extreme financial duress the industry is under, and the need for rate relief as highlighted herein.

Our expenses have hyperinflated in the 30% to 50% or more range, for categories summarized below. These expense categories, including payroll, gas, insurance and vehicles combine for an estimated 80% of a provider's expense structure.

Payroll; + 36% (based on min wage mandate, however the reality is 40% to 50% or higher wage inflation, as $15 mininum was implemented 4 years ago, and drivers and staff are demanding more to work in this industry). The minimum wage mandate has driven base hourly up by 36% since 2017.

Drivers are demanding above minimum wage to work or to stay, and turnover is excessive. Without rate help, our ability to attract and retain quality drivers is compromised severely.

Through 2019 wages, our largest expense category, inflated by 36%. Now in 2023				
we need to pay $16, $17 or more with excessive overtime, to attract and retain				
drivers, who are presented with numerous higher paying employment options every day.				
				% Change
MINIMUM WAGE NYC	**2017**	**2018**	**2019**	**2017 v 2019**
BASE RATE	**$11.00**	**$13.00**	**$15.00**	**36%**
Overtime	**$16.50**	**$19.50**	**$22.50**	**36%**

<u>Gas; +53%</u> - Typically our largest expense after payroll is up 53% since 2020. The financial impact is staggering.

Gas is +53% since 2020, providers in NYC utilize a gallon or more per transport			
While there is a pull back from 2022 highs in the mid $4 range, most industry			
analysts project an upward path, driven by China re-opening, Russia embargo			
and global economic recovery.			
Gas Pricing NYC	**2020**	**2023**	**% Change**
Per Gallon	$2.19	$3.39	55%
Source: Gas Buddy NYC avg retail pricing.			

<u>Auto Liability Insurance</u>; +50%- Coverage has risen on average 50% in 4 years, as insurance carriers abandon the NYC market. Providers can no longer afford to carry the historic industry standard of $1 million coverage limit, and now carry the state mandated minimum of $100,000. Rates have gone from an average of $6k-$8k per vehicle for $100,000 in coverage to an average of $12k-$14K per vehicle (depending on a provider's accident profile).

Auto Liability coverage, has risen 50% in 4 years...
pricing ranging from $6,000 - $8,000 per vehicle now at $12,000 average.

	2018/19	**2022/23**	% CHG.
Cost per veh.	$8,000	$12,000	50%

*Note: Providers are carrying the state mandated minimum limits of $100,000 per occurrence, with the prior $1 million in coverage becoming unaffordable = Providers exposed and underinsured!

New Vehicles +52% - A new ambulette in 2018 cost approximately $45,000 (varies depending on the configuration, but, for 7 Passenger, 2 Wheelchair). Today the same vehicle is $68,000 or greater, +52% in a few short years. With interest rates up dramatically, monthly payments on a financed vehicle have jumped from a range of $900-$1000/month up to $1,400 - $1,600 monthly (varies depending on a providers credit history, etc). New vehicles are safer, greener, have fewer mechanic issues. However we can not afford necessary fleet upgrades, with current reimbursements.

	2018	2023	% Chg 2023 v 2018
AMBULETTE Price	$ 44,486	$67,760	52%
Monthly Payment	$900 - $1100	$1400 - $1,600	55%

Issue – Reimbursement Rates Relief – Actuarially Sound Provider Reimbursement Rates

The Medicaid FY'24 scorecard indicates $13.7 million to "Ensure Adequate Medicaid Reimbursement for Transportation Services" however, there is no indication that this funding is earmarked for Ambulette reimbursement rate relief versus other programs such as Ambulance. The total funding even if it were targeted for ambulette is not adequate to support the help we need, nor has DOH gone on record that this funding is targeted toward rate relief to help ensure ambulette sustainability.

At present, more than half an ambulette providers volume flows though MLTC plans, most outsourcing to a broker. For the most part, the MLTC plans and the brokers they utilize failed to adjust reimbursement rates or pass through funding received from DOH DLTC to account for the prior minimum wage mandate. After a year or two of funding failing to pass through from the MLTC Plan or the MLTC broker to the provider, DLTC appears to have ceased providing necessary critical funding needed for rate relief on the MLTC side.

This has created a burdensome gap for providers as we are obligated to pay the minimum wage at $15/hour, with excessive overtime incurred and paid at $22.50/hour. Drivers and staff are now demanding further increases as minimum wage increased to $15 in NYC was first implemented 3 years ago, and drivers, in particular have numerous more attractive options such as MTA, School Bus, Uber, and jobs at Costco for that matter, all offering higher wages. Now, beyond payroll, our costs are inflating excessively as detailed herein, and funding is needed to both account for prior lack of accountability / lack of funding reaching the provider, along with incremental funding to offset a staggering increase in our operating expense structure.

Recommendation – add $20 million to FY '24 budget in funding specifically for FFS Medicaid to provide rate relief to the NYC Ambulette industry and an incremental $20 million for DLTC to do the same. While transportation is being shifted in its entirety to the FFS side with a transition to broker, timing is unspecified at present, and appears to be pushed out, yet our needs are immediate.

This funding, properly allocated to provide reimbursement rate adjustments will offset staggering inflation documented herein, helping to ensure industry vitality and continuity of quality access and care for the Medicaid beneficiary.

Thank you again for your review and consideration of this critical issue. For questions, or further information, please contact:

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