

# Financial Evaluation of Minnesota's Ground Ambulance Industry

An analysis of cost collection data submitted pursuant to Minnesota Statute §62J.49

November 2023

## Conclusion

Furthermore, the report underscores the harsh reality that ambulance services often fail to recover the actual costs of providing their services. With a minimum of 62% of billable responses failing to recoup their true expenses, EMS providers face a substantial fiscal gap. This shortfall translates to a financial loss ranging from \$34.47 to \$463.44 for every Medicare or Medicaid response, a situation that is economically unsustainable in the long term. Addressing this issue necessitates a multifaceted approach, including a comprehensive review of billing practices, potential reimbursement adjustments, and strategies to enhance the efficiency of operations without compromising the quality of care.

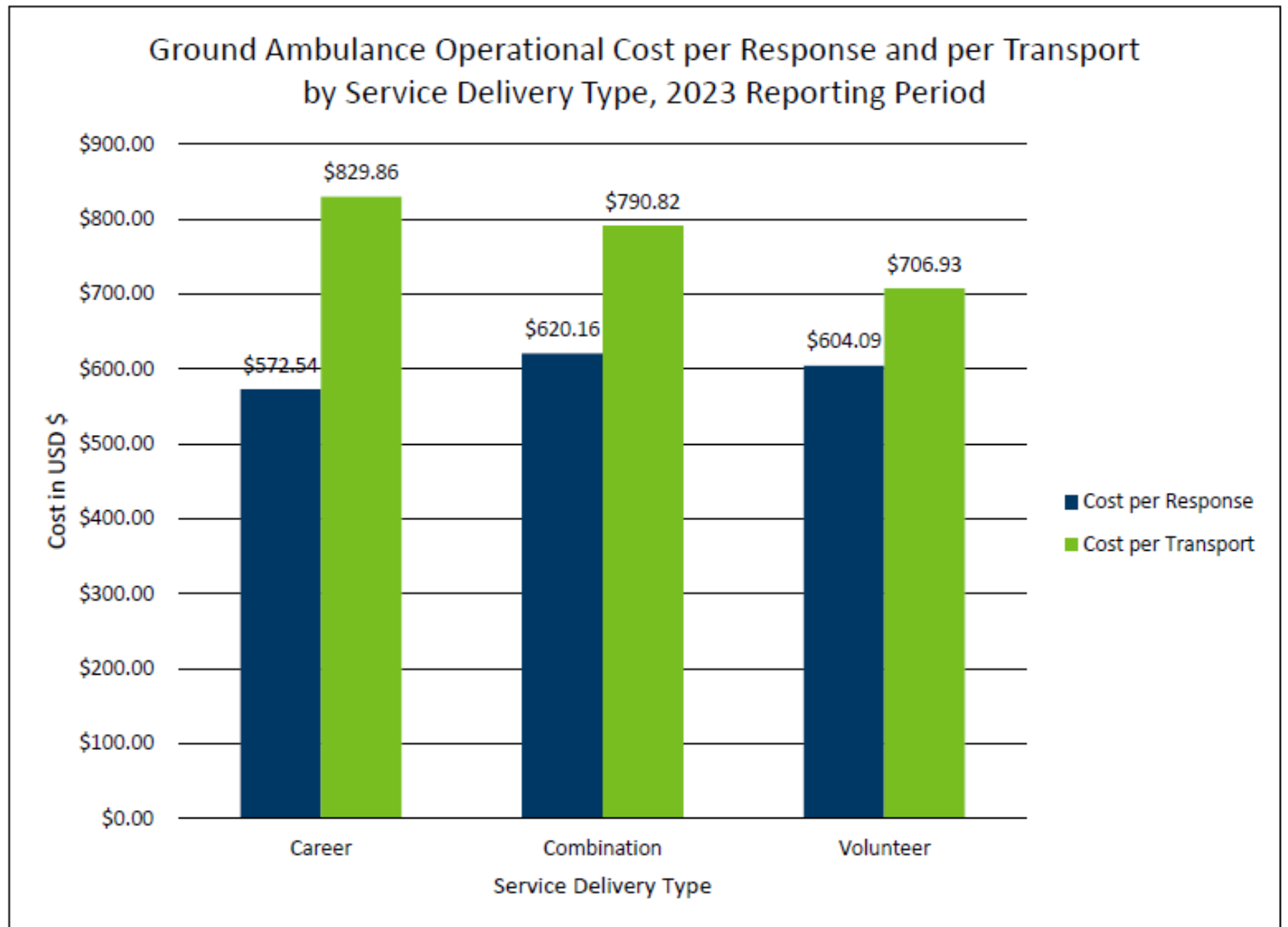
In light of these findings, it is evident that action is required to ensure the continued availability of high-quality emergency medical services to our communities. Stakeholders in the EMS sector, including government agencies, healthcare institutions, and advocacy groups, must come together to address these challenges.

**Operational Cost Per Transport:** Operational costs per transport have surged, with an increase ranging from 55% to 189% since 2010. This escalation in expenses signifies the financial challenges faced by ambulance services in providing efficient and accessible healthcare transportation.

**Insurance Billables and Payments:** Ambulance services reported \$1.2 billion in insurance billables but received approximately \$450 million in insurance payments during the reporting period [a 37.5% collection rate]. The discrepancy between billables and actual payments raises questions about reimbursement rates and financial viability of ambulance services throughout the state.

**Financial Loss:** Alarmingly, 72% of reporting ambulance services reported some level of financial loss when comparing operational expenses to insurance revenues. This highlights the financial vulnerability of EMS providers, especially in light of increasing costs.

**Figure 2. Ground ambulance operational cost per response and per transport by service delivery type, 2023 reporting period.**



**Table 3. Current CMS Ambulance Service Rates by Level of Service**

<b>Rate</b>	<b>Urban</b>	<b>Rural</b>
ALS 1 Non-Emergency	\$329.34	\$332.57
ALS 1 Emergency	\$521.46	\$526.57
ALS 2	\$754.75	\$762.15
BLS Non-Emergency	\$274.45	\$277.14
BLS Emergency	\$439.12	\$443.43

Figure 8. Statewide payor mix based on insurance billables, 2023 reporting period.

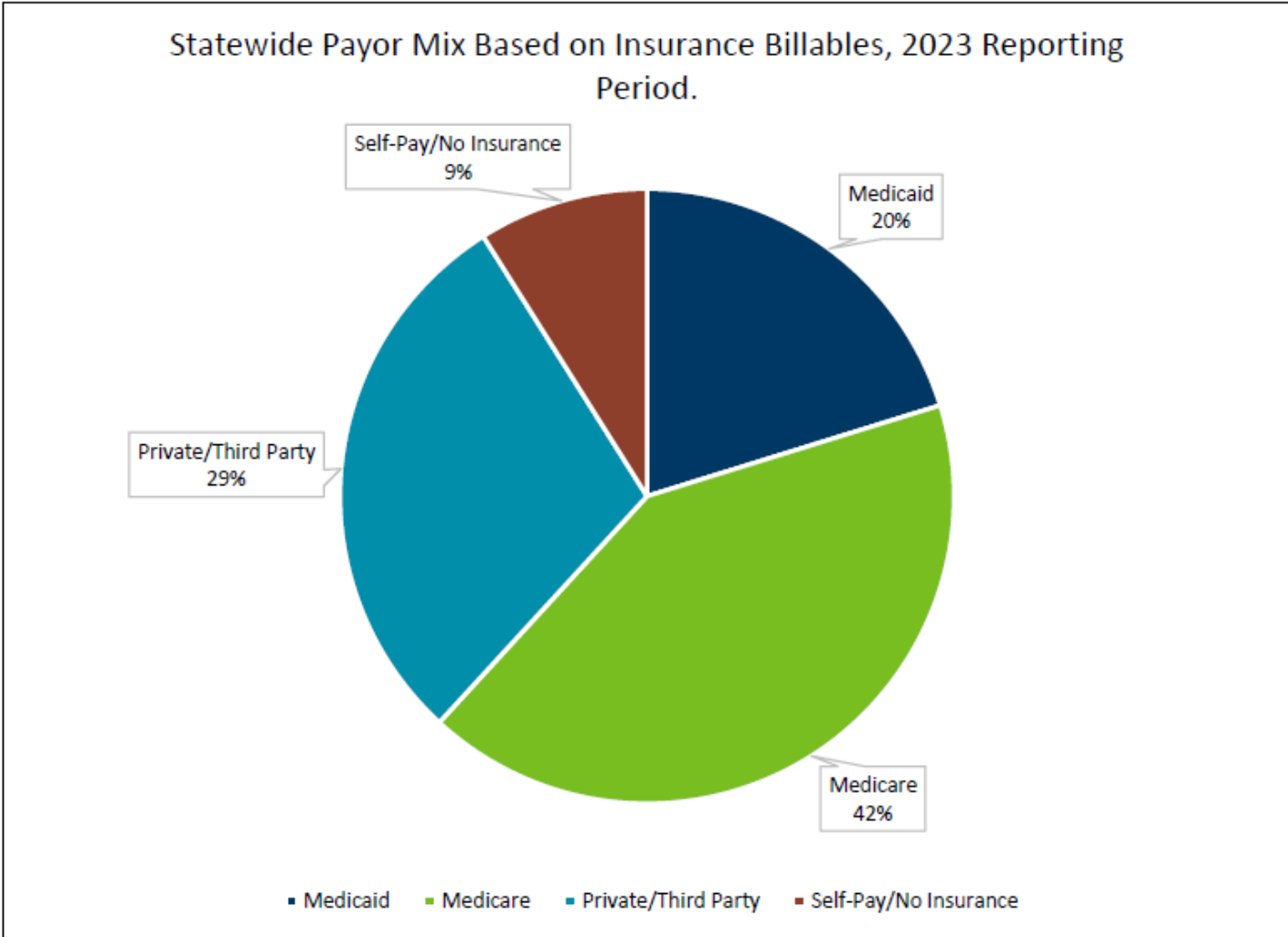


Figure 14. Analysis of ALS 1 emergency rates, 2023 reporting period

