

Life Flight Network Calls on Montana To Increase Medicaid Reimbursement For Air Ambulance Care and Transport

Background:

Life Flight Network, the nation's largest not-for-profit air ambulance provider safely cares for and transports over 1,700 critically ill or injured Montanans each year, of which 18.9% are Medicaid beneficiaries. It is widely known state's Medicaid rates do not cover operational costs for air ambulance. As operational costs have increased each year, Montana Medicaid rates have not kept pace causing a furthering disparity and enhancing the financial loss on these transports. For instance, a rotor wing flight from Butte to Missoula provides \$3,384.94 in Medicaid reimbursement which doesn't cover the aircraft and personnel costs for that transport.

In 2022, Guidehouse conducted a rate study for Montana Department of Public Health and Human Services. Among the various Medicaid rates analyzed, the firm reviewed ambulance services and cited the following:

- Montana pays significantly less than Medicare for ambulance services, even when taking supplemental payments into account and is below most states included in the analysis.
- Montana pays rotary wing air transport at just 46 percent of Medicare and fixed wing at 53 percent. When looking at neighboring states, Montana's peers average 95 percent and 87 percent of Medicare respectively.
- Air ambulance services, for example, feature particularly low rates, despite the fact the availability of air transport can have life-or-death consequences for communities located considerable distances from a trauma facility.

As adjacent states have evaluated and adjusted air ambulance Medicaid rates, Idaho, as an example, increased their rates to 90 percent of Medicare, the most allowed by Idaho statute. In addition, the rates are tied to annual inflators and adjustments made by Centers for Medicare Services.

Ask:

As Life Flight Network and other air ambulance programs in Montana represent a lifeline to patients requiring specialty care, it is imperative the State supports the providers. In the above study, Guidehouse recommends increasing to 84 percent of Medicare for overall ambulance payment levels. While we agree that an increase is needed, we feel strongly that the cost structure for air ambulance versus ground represents a minimum increase of 90 percent of Medicare.