

United States Senate

WASHINGTON, DC 20510

October 27, 2022

The Honorable Denis R. McDonough
Secretary of Veterans Affairs
810 Vermont Ave NW
Washington, DC 20420

Dear Secretary McDonough,

We write today to share concerns about the Department of Veterans Affairs' (VA) Notice of Proposed Rule Making ("proposed rule") to reduce reimbursement rates for air ambulances at the VA.¹ We are particularly concerned about the impact that this may have on our constituents living in rural parts of the country. We urge you to further review this proposed rule to consider the potential impacts it may have on access to health care for veterans. We must work to ensure that rural veterans throughout the United States are not adversely impacted before issuing a final rule.

Air ambulances guarantee that patients have immediate access to emergency health care, regardless of where they reside. A recent study from the Association of Air Medical Services (AAMS) indicates that patients who are transported by air or ground ambulance to a VA hospital have a 20% better survival rate on average than patients transported by ambulances to a non-VA hospital.² In order to fulfill our duty to our nation's veterans, it is integral that we continue to support access to air ambulance providers that transport veterans to VA medical centers.

Air ambulance providers are experiencing unprecedented financial challenges in providing lifesaving medical transportation services. The proposed rule would amend the Veterans Health Administration (VHA) regulations by proposing a new payment methodology based on the rates from the Centers for Medicare & Medicaid Services (CMS) Medicare Part B Ambulance Fee Schedule. Although this proposed rule aims to improve operations and simplifying finances, it would reduce the reimbursement rate for air ambulance transportation to \$5,998 per transport, yet the median cost for air ambulance transports is \$10,199.³ This proposed rule fails to account for the actual cost of transporting veterans via air ambulance, further risking the viability of the air ambulance industry.

Like other emergency services, air ambulance providers have had to navigate the ongoing effects of the COVID-19 pandemic, increased supply costs, volatile fuel costs, and worker shortages. Between 2020 and 2022, the air ambulance industry experienced a 20% increase in fuel costs, a 6% increase in labor costs, and a 15% increase in aviation and aircraft related expenses.⁴ According to internal analysis, AAMS estimates that this rule change will result in an over 90% reduction in the current reimbursement rate for air ambulance VHA transports. This analysis

¹ <https://www.govinfo.gov/content/pkg/FR-2020-11-05/pdf/2020-24261.pdf>

² <https://cdn.ymaws.com/aams.org/resource/resmgr/air-medical-services-cost-st.pdf>

³ <https://cdn.ymaws.com/aams.org/resource/resmgr/air-medical-services-cost-st.pdf>

⁴ AAMS Proposal for Medicare Fix

indicates that the Medicare Part B Ambulance Fee Schedule covers less than half the cost of providing a single patient air ambulance transport. This change will tremendously impact air ambulance resources near VA hospitals, and access to air ambulance services for veterans.

If enacted, this proposed rule could lead to the closure of up to 40 air ambulance bases throughout the United States. Recently, a major air ambulance provider closed 17 air ambulance bases in order to cut costs and stay afloat.⁵ This not only puts more pressure on existing providers in those 17 regions, but results in some regions only having one air ambulance provider.

Preserving access to a robust system for air ambulances in rural areas is critical for the health and wellbeing of our veterans. The proposed rule threatens the viability of air ambulance providers, thus limiting veterans' access to these critical services. We respectfully request further evaluation of the proposed rule and look forward to hearing from you about your plans to remedy the aforementioned concerns before issuing a final rule.

Sincerely,



Martin Heinrich
United States Senator



John Boozman
United States Senator

⁵ <https://www.ems1.com/air-medical-transport/articles/air-ambulance-service-parent-company-to-close-multiple-bases-dYexctCcfyPVVcG/>