

Utah Department of Health

Bureau of Emergency Medical Services and Preparedness

Policy for Ground Ambulance Rate Setting

January 1, 2018

The Utah Department of Health is required to set a ground ambulance rates as described in Utah Code Annotated Title 26-8a-403. It states the following:

- (1) *The department shall, after receiving recommendations under Subsection (2), establish maximum rates for ground ambulance providers and paramedic providers that are just and reasonable.*
- (2) *The committee may make recommendations to the department on the maximum rates that should be set under Subsection (1).*
- (3)
 - (a) *The department shall prohibit ground ambulance providers and paramedic providers from charging fees for transporting a patient when the provider does not transport the patient.*
 - (b) *The provisions of Subsection (3)(a) do not apply to ambulance providers or paramedic providers in a geographic service area which contains a town as defined in Subsection 10-2-301(2)(f).*

The Bureau of Emergency Medical Services and Preparedness with input from the EMS Committee set ground ambulance rates. The process begins with the establishment of financial criteria, reporting forms, education and consultation, collection of completed financial reports, and calculation of the proposed rate. The proposed rate is then shared in a quarterly EMS Committee meeting as an action item for a ratifying vote as a rule amendment. The administrative rate rule R426-8 is then moved through the Department's rule making process, public comment period, and then made effective. The rate setting process will be described in this policy.

Fiscal data is collected from all licensed ground ambulance providers as required in administrative rule R426-8-200(10). Data for licensed ground ambulance providers that have 500 patient transports per year are then averaged for profitability. The decision to use a 500 patient transport cut-off point was at the recommendation of a rate setting ad hoc work group established by the EMS Committee. The recommendation was based on the rationale that the smaller providers extensively use as-needed staffing instead of full-time paid employees. Their staffing costs would be significantly lower due to the part-time nature of their service. The actual number of patient transports is a relatively small portion of the total transports provided statewide.

The average is calculated for net gains and losses. The rate is determined as the point whereby half of the licensed ground ambulances are operating at a loss, with the other half operating with a profit. The calculation also is made by considering the profit/loss margin on data that is within 60-70 transports from breaking even. Using this as a center-point seems to eliminate outliers in the data set.