



GAO Releases Ambulance Cost Study

The United States Government Accountability Office (GAO) released earlier this year its ambulance cost study entitled “Ambulance Providers: Costs and Expected Margins Vary Greatly.” This highly anticipated study probably raises more questions than it answers. Overall the GAO found that Medicare payments are approximately 6% lower than the cost of providing transportation for the beneficiary. In “super-rural” areas this margin increased to the neighborhood of 17% lower than the cost of providing transportation.

The first notable finding is that there is a large variation of cost across the sample of EMS services studied. The cost of service averaged \$415 per transport but the cost per agency ranged from \$99 to \$1,218. The GAO found that many factors influenced the cost of the transport. Provider volume, ALS/BLS ratio, service area (urban, rural, or super-rural), productivity (number of transports per staffed hour), and tax support all effect the cost of the transport.

An interesting point in the overall study is that the GAO excluded any EMS entity who shared costs with another entity such as fire departments and hospitals. The GAO felt that it was too difficult to isolate the cost of EMS transportation from the other shared costs of providing their overall service. Only 33% of all ambulance services across the nation are free-standing organizations. The GAO also recognizes that shared cost departments, such as fire departments or municipal EMS agencies, have a higher cost of transport than the free standing agencies.

The unfortunate conclusion lacking from the study is an effective and immediate plan of action into ensure that Medicare payments meet the cost providing transportation services across the board. We are sure we will here more on the subject and will keep our subscribers informed as any developing information becomes available. If you wish to view the study in its entirety please click [here](#).