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Community Service Society of New York

Comments on the Fire Department of New York City's proposal to increase rates for ambulance services

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Thank for the opportunity to testify in opposition to the New York City Fire Department's proposed 54 percent price increase for basic life support ambulance services (from \$900 to \$1,385), along with its other rate increases.

The Community Service Society of New York (CSS), www.cssny.org, has worked with and for New Yorkers since 1843 to promote economic opportunity and champion an equitable city and state. Our health programs help New Yorkers enroll into health insurance coverage, find health care if they are ineligible or cannot afford coverage, and help them use their coverage or otherwise access the healthcare system. We do this through a live-answer helpline and through our partnerships with over 50 community-based organizations working in every county of New York State. Annually, CSS and its partners serve approximately 130,000 New Yorkers, saving them over \$40 million in medical costs annually. Since 2021, we have assisted over 100 clients who need help with ambulance bills.

Medical debt is a crisis in New York. In 2019, 59 percent of New York City residents said they cut pills in half, failed to fill prescriptions, and skipped tests or treatment they needed because they could not afford it.¹ Patients cannot avoid emergency care, and nationally, one in five people with medical debt say it is due to ambulance bills—making the FDNY's 50 percent rate increase all the more unjust.² In fact, the FDNY's proposed new rate of \$1,385 is more money than the majority of Americans have saved for emergencies: in 2023, 57 percent would be unable to come up with \$1,000 to pay an ambulance bill.³

¹ Altarum Healthcare Value Hub, "New York City Boroughs: 59% of Adults Experienced Healthcare Affordability Burdens in the Past Year," Data Brief No. 38, March 2019, <https://www.healthcarevaluehub.org/advocate-resources/publications/new-york-city-boroughs-59-adults-experienced-healthcare-affordability-burdens-past-year>.

² Lunna Lopez, Audrey Kearney, Alex Montero, Liz Hamel, and Mollyann Brodie, "Health Care Debt in the U.S.: The Broad Consequences of Medical and Dental Bills," Kaiser Family Foundation, 2022 June 16, <https://www.kff.org/report-section/kff-health-care-debt-survey-main-findings/>.

³ Ivana Pino, "57% of Americans can't afford a \$1,000 emergency expense, says new report. A look at why Americans are saving less and how you can boost your emergency fund," Fortune, January 25, 2023, <https://fortune.com/recommends/banking/57-percent-of-americans-cant-afford-a-1000-emergency-expense/>.

Ambulance services are not voluntarily secured—which makes this rate hike tantamount to a regressive flat tax. Most patients do not control when an ambulance is called in the first place. Patients can neither “shop around” for which ambulance service they will use, nor bargain for the rate they will be charged. Accordingly, patients who have no choice but to use an ambulance service, also have no opportunity to verify if the ambulance participates with their health insurance plan, if they do have insurance. The FDNY should raise revenue for its services through the annual budget process so that the cost of ambulances services is borne fairly across tax payers by income, not regressively imposing the same rate for a retail worker as for an investment banker.

Ambulance transportation services often result in “surprise” out-of-network bills, leaving patients stuck owing some or all of the fees. Both nationally and at the State level, policymakers have addressed “surprise bills” related to when patients get unexpected emergency room or surgical-related charges that are deemed out-of-network. However, these reforms have not addressed out-of-network ambulance charges. While New York patients with certain types of health insurance are protected by New York State law that defines ground ambulance services as pre-emergency care and requires coverage at an in-network rate, most people with large employers, union plans, or other “self-insured” insurance products are unprotected and will be disproportionately harmed by the large flat rate increase proposed by the FDNY (N.Y. Ins. L. §§ 3216(i)24, 3221(I)(15), 4303(aa)). Moreover, older patients and patients with disabilities who are Medicare beneficiaries, whose health coverage is generally not protected under New York State law, have greater exposure to medical and ambulance bills because of their high health needs, and will be disproportionately harmed by a large flat rate increase.

For example, one of our clients had cancer and a painful foot problem called Charcot foot syndrome, which left him unable to use public transportation. The client was already being sued by his landlord and his credit card companies and could not afford cabs. He delayed and avoided care, but when he could not do so relied on ambulances. Despite our best efforts to help resolve his medical bills, he passed away burdened by many bills remaining unresolved. Likewise, uninsured people are also unprotected. The boroughs of Queens and the Bronx have some of the highest rates of uninsured people in the State (9.3 percent and 7.9 percent respectively).⁴ The proposed 50 percent price hike will hit these communities disproportionately because of their large uninsurance rates and high poverty rates.

One of the worst consequences of being unable to afford medical care is being sued. Many hospitals have agreed to stop suing patients, but lawsuits against people with ambulance bills are still prevalent. In 2022, the New York City Fire Department sued nearly 200 people, using a well-known medical debt collection firm. Our experience helping people who cannot afford to pay surprise FDNY ambulance bills has revealed that the FDNY is unwilling to accept hardship letters from patients who are unable to pay, and the FDNY will never consider more than a 10 percent discount upon request. Imposing a large rate increase so soon after FDNY’s 2021 rate increase will only result in pushing more New Yorkers into medical debt and is likely

⁴ Census Table S2701, 2021 five-year estimates.

to have the unintended consequence of compelling New Yorkers to forego medically necessary ambulance services to avoid the prospect of a large bill.

New York City should find another way to ensure that the Fire Department has the resources it needs. Patients cannot afford this increase, and CSS respectfully asks that the Fire Department maintain its existing rates.

Thank you again for the opportunity to submit comments. Should you have any questions, please do not hesitate to contact me at: 212-614-5461 or at ebenjamin@cssny.org.