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MEASURE: HB 3678
 EXHIBIT: 0
 HOUSE REVENUE COMMITTEE
 DATE: 6/1/2011 PAGES: 1
 SUBMITTED BY: TERRINA KAMP

26 May 2011

Representative Barnhart, Co-Chair
 Representative Berger, Co-Chair
 House Committee on Revenue

RE: House Bill 3678 – Removal of Ambulance Services for PIP Fee Schedules

Dear Co-Chairs Barnhart and Berger and Members of the Committee:

The City of Eugene strongly **SUPPORTS** House Bill 3678, which would remove ambulance services from the list of fee schedules used to calculate provider charges for personal injury protection (PIP) benefits.

A new workers compensation fee schedule for ambulance service went into place on April 1, 2011. The unforeseen consequence of this implementation is having a terrible impact on emergency ambulance service. Oregon statute ties PIP coverage in auto insurance to the workers comp fee schedule for medical services. With the new Workers Comp fee schedule, emergency ambulance services are suddenly being reimbursed significantly less for serving motor vehicle accident victims. This comes at a time when emergency ambulance services, especially in rural Oregon, are already struggling to survive, mainly from low Medicaid/Oregon Health Plan reimbursements.

Ambulance services differ from other medical services in two important ways. One, emergency ambulance services cannot control their patient mix to try to minimize the impact of the reimbursement reductions. Two, emergency ambulance services cannot unilaterally raise their rates to compensate for the reductions. Their rates are controlled by the cities and counties where they serve. House Bill 3678 would correct the inadvertent impact that the new fee schedule has on ambulance service by cutting the tie between PIP reimbursement and the workers comp fee schedule for ambulances.

This bill would help all communities in Oregon preserve their emergency ambulance services. We urge your strong **SUPPORT** of HB 3678.

Sincerely,

Randall B. Groves
 Chief of Departments