

March 13, 2025

Senate Committee on Healthcare
Oregon State Capitol
900 Court St. NE
Salem, Oregon 97301

Testimony of Adam Osborne, CFO of Life Flight Network, in Support of SB 778

Chair Patterson, Vice Chair Hayden, and members of the committee – For the record my name is Adam Osborne, Chief Financial Officer at Life Flight Network. I first want to thank the committee for supporting our efforts to ensure critical care access to rural Oregonians.

The ambulance inflation factor is an annual adjustment that is applied to Medicare reimbursement for ambulance services. The rate is based on June's 12-month Consumer Price Index for All Urban Consumers, or the CPI-U, which measures inflation by tracking average change in prices of goods and services. The Ambulance Inflation Factor is reduced beyond the CPI-U rate to adjust for a multi-factor productivity adjustment. What does this mean? It means the rate adjustment is designed to reflect expected efficiency improvements in the healthcare industry, meaning it is assumed that providers are more efficient over time. The resulting Ambulance Inflation Factor is typically lower than that of pure CPI-U.

Over the last 12 years, June's cumulative CPI-U is 33.5, meaning prices have increased 33.5% over that period due to inflation. Over that same period, the cumulative Ambulance Inflation Factor was 24.5%. Comparatively, LFN's average rate of pay has grown by more than 60% during that same period.

As mentioned, SB 778 helps ensure the sustainability of Life Flight Network, allowing us to continue transporting over 5,000 Oregonians annually by air ambulance. Including the Ambulance Inflation Factor (AIF) enables reimbursement to keep pace with inflation while incorporating a cost-containment measures for state budgetary considerations. This approach helps maintain stability in the state's Medicaid fee schedule, which has remained unchanged for over a decade.

Sincerely,

Adam Osborne

Chief Financial Officer

Life Flight Network