

*Summary*  
***ENSURING ACCESS TO AIR AMBULANCE SERVICES ACT OF 2017***  
**(H.R. 3378)**

**Cost Reporting**

Currently, air medical providers are not required to report their cost data to the Medicare program. On January 1, 2019, air medical providers would begin reporting cost data to the Centers for Medicare & Medicaid Services (CMS).

**Quality Reporting**

On January 1, 2020, air medical providers would begin submitting quality data to CMS. This data would consist of five measures that are widely accepted as being relevant and indicative of high-quality care within the air medical industry. CMS would provide the quality data reported in 2020, on a confidential basis, to providers. Beginning in 2021, this data would be made available to public.

**Payment Reform**

Given Medicare's chronic underfunding of air medical services (a recent study shows that Medicare pays just 59% of actual transport costs), an immediate and temporary payment increase would be afforded to providers in 2018 (+12%), 2019 (+20%), and 2020 (+20%). This temporary increase would be non-cumulative and would begin to bring Medicare reimbursements closer to provider costs and help providers invest in and prepare for the new reporting initiatives. Providers who do not submit cost and quality data would not receive the payment increase in 2019 or 2020.

In 2021, Medicare air medical reimbursements rates would be "rebased," in accordance with the cost data collected by CMS, to finally reflect the actual costs of providing air medical services. This critical reform will ensure Medicare beneficiaries' continued access to life-saving air medical services.

**Value-Based Purchasing (VBP) Program**

In 2024, CMS would use the quality data it collects from air medical providers to develop a VBP program. The Secretary would establish nationwide quality benchmarks based on the national average quality score for each reported measure. CMS would assign a composite score for each air medical provider based on its cumulative, risk-adjusted performance across the quality measures in the reporting program.

A VBP bonus payment pool, totaling 2 percent of air medical Medicare payments, would be created. Air medical providers with the highest composite VBP scores would receive bonus payments that would exceed the 2 percent payment withhold. Providers with the lowest composite scores would not receive any of the 2 percent payment withhold.

In order to create a comprehensive data set, providers who do not report on the quality of care they provide would see their payment rates reduced by 10 percent. Half of the savings associated with this penalty would go to the VBP bonus pool while the other half would be used to strengthen Medicare program solvency.

**Offset**

The Secretary of the Treasury would be required to transfer funds not otherwise appropriated in the General Fund to offset any spending increase resulting from the net effect of the payment reforms and VBP program. This offset would serve as a placeholder until this legislation is scored by the Congressional Budget Office.