

Donald Martens and Sons Ambulance Service
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DONALD MARTENS & SONS
AMBULANCE SERVICE, INC.

Chairman Burke, Vice Chairmain Beagle, Ranking member Tavares and members of the Senate Medicaid committee, thank you for the opportunity to provide testimony SB 218. My name is Dean Martens and I am the owner of Donald Martens and Sons Ambulance Service, LLC. Founded in 1964, Donald Martens and Sons Ambulance Service, Inc. is one of the oldest private, family-owned ambulance services in the state of Ohio. Over the years, we have grown from one ambulance to 75 mobile intensive care units, paramedic ambulance units and ambulettes and we currently employ 300 people in Northeast Ohio.

Ohio is moving in the wrong direction as far as medical transportation is concerned, and this bill would further the decline of the industry. Imposing additional, unfunded regulatory burdens on medical transportation providers is not the answer and will not do any anything to curtail the fraud in the industry except open the door for bad players who will take up where legitimate companies have been forced to close.

Medicaid reimbursement was originally set up to allow private ambulance services to serve the indigenous population at a rate less than our normal fees that would provide a minimal profit—not a 55-70% loss margin. Under the current reimbursement schedule, our business loses \$40 per wheelchair van transport, \$100 per Basic or Advanced Life Support ambulance transport, and \$400 per Mobile Intensive Care Unit Transport. A few years ago, I sent two boxes of copy paper from one of my offices to another, via FedEx, which was approximately 9 miles away, and the shipping cost was \$79.00. My reimbursement from Medicaid for the same distance would have been less than \$30.00. I imagine that these days, Uber or Lyft rates would also drastically exceed Medicaid reimbursement.

Medicaid expansion and complications with Medicaid health plans have exacerbated the problem as we face higher volumes of transports with less revenue. Additionally, the procedure to process claims with the Medicaid brokers is more complex and we are paid much slower than the 21 days it used to take to receive payment from Ohio Medicaid.

Faced with dire situation, I've been forced to take drastic actions just to stay in business. We had to cancel three MyCare Ohio contracts: United Health Care, Buckeye, and Caresource. We've cut the number of nursing homes we service from 80 in the Northeast Ohio region in 2014 to 50 and will likely be forced to continue to cut that number. Through the reduction of nursing homes we service, our trip volume has decreased 40,000 trips per year. Sadly, this has decreased access to care and many patients cannot receive adequate medical transportation. I continued service these nursing homes for many years even after it became evident that it didn't make financial sense to do so because I care deeply about serving these individuals and my community. As the years have continued to pass and our industry continues to struggle with reimbursement rates far below our costs, this has become unsustainable.

I ask this committee to work with this industry to solve the massive problems facing the upstanding and compliant providers in this industry, to do otherwise is to open the doors to the fly by night operations that perpetrate large scale fraud. This bill is not the answer.

Thank you for allowing me to testify. I would be happy to answer any questions you might have and I thank you for your time and consideration.