

## Ambulance Services Face Medicare Pay Cuts in Government Shutdown

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Emergency services will start feeling a strain on their budgets as the federal shutdown lingers, potentially leading to services being scaled back, ambulance service providers and associations warn.

Ambulance services have been able to receive a boost in payments under Medicare, as long as Congress kept renewing the authority to do so. This includes a 2% increase in base rate for ambulance services in urban areas, a 3% boost for the services in rural areas, and a 22.6% increase for services in “super rural” regions.

But Congress has repeatedly failed to agree over government spending, and this authority was allowed to lapse as part of the impasse in Congress.

Medicare reimbursements already aren’t enough and contribute to the difficulty of running ambulance services in rural Montana, Tim Brester, owner and operator of Polson Ambulance, Inc., said in a telephone interview.

While his own business could weather the drop in Medicare payments, he said he is familiar with other service providers that are “fragile.” If the federal government closure drags on for a few more weeks, “it will result in a shutdown of operations,” Brester said.

Ambulance services were thrown a lifeline Tuesday when the Centers for Medicare and Medicaid Services clarified they will process ambulance Medicare claims, albeit without the payment boosts. Industry groups had been uncertain about whether they would see payments at all during the government shutdown.

“This is very good news,” said Tristan North, senior vice president of government affairs for the American Ambulance Association. Providers were already turning to lines of bank credit and other options so they could hold out in a Medicare cash flow halt at CMS, he added.

Still, the drop in Medicare payments, particularly the more than 20% cut super-rural ambulance services are encountering, remains a concern. If the shutdown continues for another month, providers in super rural areas may have to start reducing services significantly, North said.

The add-on payments for emergency services were started out of recognition that Medicare reimbursement wasn’t keeping up with the costs, said Evan Davis, director of government affairs at the International Association of Fire Fighters. Fire departments

provide emergency services and get reimbursed under the same Medicare system, he said.

“We’ve generally found for about \$1 of reimbursement that we receive from Medicare, we’re expending about \$6 to \$7 in care for the patient, so there’s a pretty dramatic mismatch,” he said.

Without the payment increases, this could force agencies to defer maintenance on vehicles and forestall hiring, Davis said. “If agencies don’t have the resources to hire, you start to have a consolidation of staffing and it takes longer to get a response to your call because there are fewer ambulances on the street, there are fewer fire trucks on the road,” he said.

Extending these add-on payments has been a bipartisan initiative, with bills introduced in both the House and Senate this Congress.

“Medicare ambulance add-on payments are incredibly important to ambulance providers and ensure that they can continue to respond to all kinds of emergencies,” said Sen. Catherine Cortez Masto (D-Nev.), who cosponsored a bill (S.1643) with Sen. Susan Collins (R-Maine) to extend and increase these add-on payments through 2027.

Cortez Masto said she is working with colleagues to end the shutdown, including extending the add-on provisions. The senator has voted with Republicans for their stopgap funding measure to reopen the government, going against the majority of her party.

Rep. Claudia Tenney (R-N.Y.) also introduced bipartisan legislation (H.R. 2232) earlier this year to extend the add-on payments through 2027.

“This lapse in Medicare ambulance add-on payments should never have happened,” she said in a statement. “The House passed a Continuing Resolution that extended these payments along with telehealth and other bipartisan provisions.”

Medicare accounts for about 60% of funding for emergency medical services, Ken Kelley, government affairs chairman for the Arkansas Ambulance Association, said. Super rural services will struggle with Medicare base payments without the boost, he added.

“We have to have that 22% add-on payment just to make minimum expenses,” he said.

Non-emergency transports where ambulances transfer patients from one hospital to another, may be hampered, creating backlogs in the system, Kelley said. Eventually, putting small services at risk of shuttering, he said.

“You’ve got to put fuel in the ambulance,” he said. “You’ve got to pay for the oxygen. You’ve got to pay the people to be there. It could eventually get to the point where communities lose their entire EMS service.”