



June 12, 2024

RE: H.R. 7931, The Preserving Emergency Access in Key Sites (PEAKS) Act

Dear Members of the California Congressional Delegation:

On behalf of more than 400 member hospitals and health systems, the California Hospital Association (CHA) supports the Preserving Emergency Access in Key Sites (PEAKS) Act (H.R. 7931). Nearly 6 million people live in California's rural communities, which provide food, water, power, and recreation to the state, but their access to lifesaving hospital care is being reduced by a misalignment in Medicare policy.

The PEAKs Act corrects a misalignment in Medicare's critical access hospital (CAH) ambulance reimbursement eligibility requirements. Currently, some CAH-owned ambulances located in mountainous or extremely isolated areas are not eligible for cost-based payment. The PEAKs act addresses this by allowing Medicare to pay CAH-owned ambulances in mountainous areas and locations accessible only by secondary roads at least 15 miles from the next provider at the same rate it pays other CAH-owned ambulances. This funding will preserve and increase emergency transport for seniors and others experiencing inequitable access to health care based on where they reside. It also creates payment parity among CAHs in different geographic areas.

California's 37 CAHs have seen their operating margins drop by 8 percentage points from 2019 to 2023, and they continue to lose money every day delivering care to their communities. Two-thirds of CAHs are operating in the red, and their scant reserves are dwindling, placing access to care in isolated communities at risk. These fragile but vital hospitals have recently faced a new challenge: a scarcity of emergency medical transport providers. Ongoing financial shortfalls, especially post-COVID, are causing EMS providers to limit availability and/or completely discontinue operations, leaving large geographic areas with no emergency transport.

Many local entities tried to fill the void for emergency transport, including fire agencies, volunteers, special districts, and not-for-profit and investor-owned companies. However, the challenges of low volume, great distances, rugged topography, low reimbursement, and workforce shortages have closed many ambulance services in rural areas. More will close if action is not taken quickly.

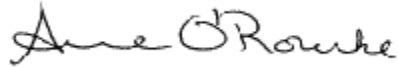
The farther an individual with traumatic injuries or medical emergencies is from a hospital, the worse the outcome. Studies have shown the best outcome for patients with life-threatening medical emergencies, such as acute myocardial infarction and strokes, is early treatment. This treatment is made possible by local ambulance services. However, the lower payment rates received by CAH ambulance services in mountainous terrain or areas that are only accessible by secondary roads makes it impossible to sustain local emergency transport services in many isolated communities.

499 So. Capitol Street SW, Suite 410, Washington, DC 20003 ■ Office: (202) 488-3740 ■ FAX: (202) 488-4418

1215 K Street, Suite 700, Sacramento, CA 95814 ■ Office: (916) 443-7401 ■ www.calhospital.org

H.R. 7931 will provide critical access hospitals and the communities they serve with reliable, equitable funding to sustain and improve emergency transport to vital health care services. CHA urges you to cosponsor and support the Preserving Emergency Access in Key Sites (PEAKS) Act.

Sincerely,

A handwritten signature in cursive script that reads "Anne O'Rourke".

Anne O'Rourke
Senior Vice President, Federal Relations