



Maine Ambulance Association

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**Working Together
For Maine !**

TO: Joint Committee on Taxation
FR: Tim Beals, President Maine Ambulance Association
DT: March 4, 2015

RE: LD 315: An Act To Provide a Refund of Fuel Taxes to Maine Ambulance Companies

The Maine Ambulance Association is requesting the Maine Legislature and Governor's Office enact Legislation to provide the same exemption of gasoline and diesel fuel tax for all Maine EMS providers.

The current fuel tax exemption affects ambulance services differently. Municipalities that own ambulance or first response vehicles are exempt from fuel tax. But other EMS services that own vehicles and provide the same essential services to municipalities and all Maine residents do not get the exemption. Therefore, some EMS providers have higher fuel costs than others, even though they provide the same services.

Our membership is broad in terms of the types of EMS services. However, many of our members are small volunteer organizations who provide service to the small communities of Maine where call volume is low and transport distances may be long to reach the nearest hospital. The purchase of fuel is not a discretionary act, where we may be able to delay the purchase of new equipment we must keep the tank full. Eliminating the fuel tax would reduce some of the strain on our budgets.

I am sure it is no surprise to you that MaineCare reimbursement does not cover our costs; in fact it is 20-25% below what it costs to provide service. Yet Maine Law requires ambulance providers to respond and transport a patient without regard for their ability to pay. We are not able to cost shift to the private third party payors as they do not make up a significant portion of our payors and they typically follow the lead of Medicare reimbursement which is 5-15% below the cost of providing service.

In some cases ambulance services charge communities a fee or subsidy to provide coverage to the residents. Saving on fuel costs would benefit communities by reducing the pressure of having to raise those subsidies to cover costs.

We are still gathering the data from the services that are currently paying the fuel tax though we believe the fiscal note is approximately \$250,000.



DELTA AMBULANCE

29 Chase Avenue | Waterville, ME 04901-4642

P: 207.861.4244 | F: 207.861.4475

DeltaAmbulance.org

24-HOUR DISPATCH

Augusta Area: 207.623.4900 | Waterville Area: 207.861.4244

To: Joint Committee on Taxation
DT: March 4, 2015

RE: LD 315 - An Act To Provide a Refund of Fuel Taxes to Maine Ambulance Companies

I am asking for your support of LD 315 in order to eliminate the fuel tax paid by non-municipal EMS services.

Delta Ambulance provides Paramedic Ambulance service to 17 communities in the Central Maine area. We are proud of the fact that we are able to provide this service without having to charge the communities a subsidy. Additionally we offer the 1st Responder services in our coverage area free training and medical supply replacement on a one for one basis.

We work very hard to manage our expenses and operate within our means. Extending the fuel tax exemption to private services like Delta would help us keep the cost of pre hospital care in check.

Municipalities who operate ambulance services do not pay fuel tax yet they provide the very same service that Delta provides, including non-emergency transports between hospitals and other locations. This gives the municipality a distinct cost savings advantage.

Delta would realize approximately \$25,000 if the tax exemption was applied to our fuel purchases. This savings would provide us the means to investment more in areas such as training and technology. There seems to be no end to the mandates that require new equipment or additional training.

Reimbursement is not keeping up with these increased costs so it forces us to seek relief where we can. I believe eliminating the fuel tax for all EMS services places everyone on the same playing field, has no adverse effect on municipalities and will enhance the quality of service provided.

Thank you for considering this request.

Respectfully,

Timothy Beals, MBA, Paramedic
Executive Director