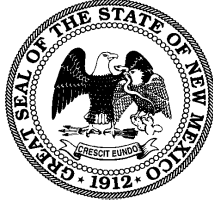


NEW MEXICO PUBLIC REGULATION COMMISSION

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PRC Cuts Albuquerque Ambulance Service Rate Increase in Half

PRC Balances Interest of Consumers and Industry

Santa Fe—The New Mexico Public Regulation Commission today approved a rate increase for Albuquerque Ambulance Services (AAS), but not as much as the company was seeking.

“It’s our job to balance the interest of the consumers with that of the industry,” said PRC Vice-chairman Jason Marks (Dist. 1 Albuquerque) who offered an Order that only granted about half of the increase requested by the company. “AAS’s requested rate increase is not just and reasonable, under the facts in the record.”

AAS had requested an overall 14.4 percent increase in rates to purchase new ambulances, hire additional paramedics, give ambulance staff salary increases and cover fuel costs. The requested increases would have raised the cost per mile from \$9 to \$12 for all classes of ambulance service and would have raised other rates from 9 percent to 33 percent depending on the type of ambulance service. The largest increase was for “stand-by”, from \$120 to \$250 an hour. (Standby is when the ambulance is requested to be available, such as at ball games.) According to information provided to the Commission, the increase requested would have provided a total of \$1.4 million in additional net revenue to the company, after discounts, allowances, and provision for uncollectible accounts. AAS justified its requested rate increase for the expansion and to maintain a cash balance to cover costs because of the slow reimbursement process from insurance, Medicare and Medicaid.

The Order put forward by Marks and adopted by the Commission allowed the portion of the rate increase needed to fund the company’s planned salary increases and other increases in operating expenses. But it also found that the company was already earning sufficient revenues under the existing tariffs to fund all of its stated capital needs for new ambulances and the like. On that basis, the Commission declined to authorize the full amount of the requested increase.

“I believe the increase requested is not just and reasonable,” Marks added. “My responsibilities are to seriously consider the consumers’ interest. I ask why they should pay more when the only benefit is to put more into AAS’s bank account.”

PRC Chairman Ben R. Lujan stated, “I am very concerned about ambulance rates in New Mexico. Often times these services are matters of life or death for a patient during a medical emergency. I have asked PRC staff to conduct a regional study of ambulance rates.”

Commissioner Lynda Lovejoy also supported the lower rate increase.

Commissioner Shirley Baca acknowledged the concerns about the requested rate increase, but she was hesitant to disapprove rate increases solely on “large profitability.” She said she has spent time with ambulance inspectors and speaking with emergency medical technicians and ambulance personnel at emergency services meetings statewide. “Ambulances are a service that are needed and we can easily talk about profitability until it we have need for an ambulance and there are not enough certified EMTs,” Com. Baca said. “Sometimes we have to look at the public health and safety and quality of service consideration.”

All commissioners voted to approve the lesser rate increase for AAS.

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