



December 30, 2025

Mr. Brett Coghlan  
President  
Texas Ambulance Association  
3616 Far West Blvd., Suite #117-PMB 365  
Austin, Texas 78731

Mr. Michael Furrh  
President  
Texas EMS Alliance  
P.O. Box 13531  
Austin, Texas 78711

Dear Mr. Coghlan and Mr. Furrh:

After much stakeholder and staff effort toward establishing a state directed payment program for ground ambulance providers, I have determined that a reimbursement rate review for ground ambulance providers, to consider alignment with Medicare established reimbursement rates, would offer a more certain path forward.

As you know, the Texas Health and Human Services Commission (HHSC) staff worked with providers and Public Consulting Group representatives to develop potential metrics to meet the directed payment program quality requirements for approval from the Centers for Medicare & Medicaid Services (CMS). We appreciate all the effort the stakeholders made to meet the programmatic goals for quality. However, after months of discussion, it is still not clear that most ambulance providers would be able to report the performance metrics per the measure specifications required to be successful in the program. Participation in the program does exact a level of provider burden.

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Additionally, HHSC has not received from all potential participants the data necessary to demonstrate that payment at average commercial rate is appropriate as required by CMS. We appreciate that Public Consulting Group has worked on behalf of their clients for several years to identify a viable pathway forward for a directed payment program, with the goal of ensuring that providers have adequate financial resources to maintain high quality services.

These factors would likely yield a program that does not meet participation or payment expectations.

HHSC appreciates the attention to the issue and believes a reimbursement rate review is the surest path forward. HHSC has received feedback directly from entities that represent ambulance providers who have indicated that they support discontinuing efforts to pursue a directed payment program so HHSC can pursue a reimbursement rate review on their behalf.

Sincerely,



Cecile Erwin Young