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Medicare Advantage Ground Ambulance Cost Sharing Levels Strain Enrollees and Ground Ambulance Entities

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INTRODUCTION

As the share of Medicare beneficiaries enrolled in Medicare Advantage (MA) plans now exceeds 54 percent of all Medicare beneficiaries, differences between MA cost sharing and traditional Medicare Fee-For-Service (FFS) cost sharing are having a pronounced impact on Medicare beneficiaries and providers.[1] Ground ambulance services are a critical component of the fabric of health care services for Medicare beneficiaries. Beneficiaries rely upon ground ambulance transports for both emergent and non-emergent needs. Beneficiaries request these services through an emergency medical services dispatch or through another provider and typically do not have a choice of which ground ambulance entity will serve them. While coverage of and access to ground ambulance services is consistent across Traditional Medicare and MA, beneficiary cost sharing requirements differ across the two parts of the Medicare program. Traditional Medicare includes a standard 20 percent coinsurance consistent with other Medicare Part B services, and therefore for ground ambulance services. By contrast, under MA, health plans can choose to assign a coinsurance percentage for each service or they can specify copayments with a fixed dollar amount.

This white paper presents findings from Health Management Associates' (HMA) 2025 analysis of state-level variation in MA plan copayments for ground ambulance transports. We identify the range of cost sharing used by MA plans by state, the average MA plan copayment by state, and compare these average copayment levels to both national Medicare FFS cost sharing levels for ground ambulance services. The report also examines average state-level MA plan copayment levels for emergency department services.

As our analysis demonstrates, the flexibility permitted to MA plans to establish beneficiary cost sharing levels for ground ambulance services has resulted in wide variation in MA plan copayments and significantly higher cost sharing for ground ambulance services for MA beneficiaries than those enrolled in traditional Medicare. The flexibility of the MA benefit design for ground ambulance services has potentially negative consequences for the millions of MA plan enrollees and the roughly 11,000 ambulance entities which conduct these services and collect beneficiary cost sharing.

METHODS

In 2025, HMA compared MA plan benefit information using the *Wakely Medicare Advantage Competitive Analysis Tool*. This data tool summarizes data from CMS' national 2025 MA Plan Benefit Package (PBP) data.[2] These data include all MA plans participating in the Medicare Advantage program in 2025 and enables the identification of plan cost sharing design and levels by type of service.

To supplement this analysis, HMA conducted a small survey of ground ambulance entities to assess the share of MA plan ground ambulance transports where patients did not make cost sharing payments to ground ambulance entities.

RESULTS

Medicare Advantage Copayments versus Coinsurance

Among the more than 34 million MA enrollees nationally in 2025, approximately 83 percent were enrolled in MA health plans requiring a copayment for ground ambulance services and 17 percent were enrolled in plans requiring coinsurance. On a state level, the share of enrollees in plans requiring a copayment ranged from 62 percent (New York) to 97 percent (Montana). Therefore, nationally, copayments are more commonly used by MA plans than coinsurance. However, among the plans choosing to use coinsurance, the vast majority required 20 percent coinsurance, consistent with Traditional Medicare.

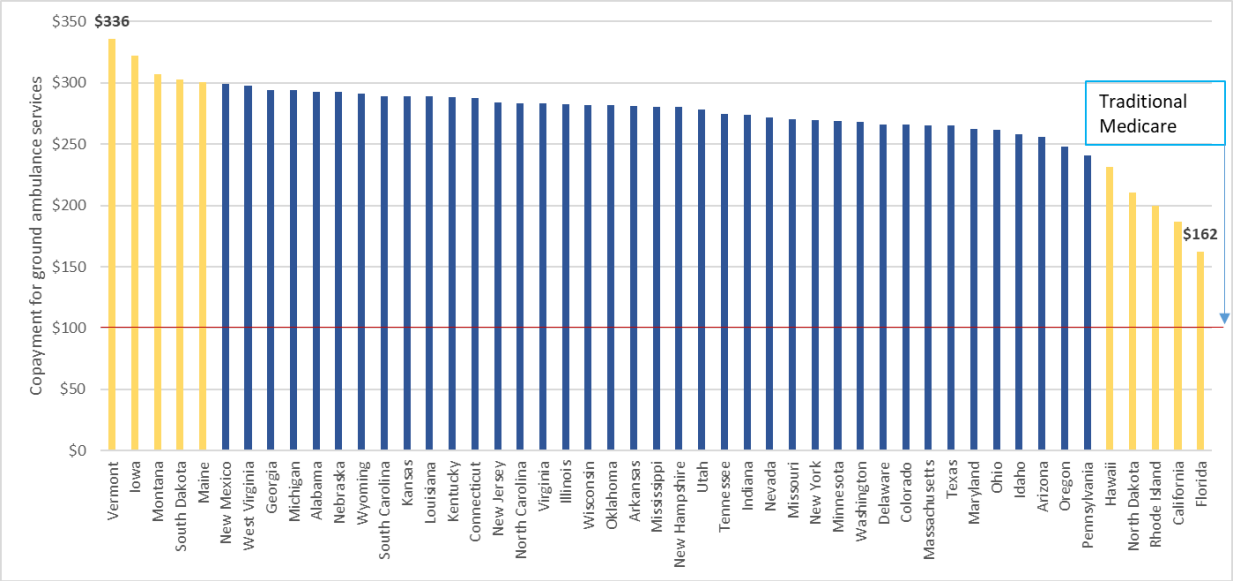
National Average Medicare Advantage Copayments

Average MA plan copayment amounts for ground ambulance transports in 2025 were consistently higher than the estimated dollar amount of beneficiary cost sharing for the same services under Traditional Medicare. In 2025, the national average MA plan copayment across all MA plans requiring a copayment was $273, more than two and a half times higher than the estimated equivalent under Traditional Medicare ($100 = 20 percent of $500 per transport). This national average reflects a significant share of the average payment ground ambulance entities received under Traditional Medicare for these services in 2024. For example, under Traditional Medicare in 2024 CMS paid an average of $525 for Advanced Life Support (ALS) emergency transports and $261 for Basic Life Support (BLS) non-emergency transports. Therefore, the average MA plan copayment for 2025 reflects more than 50 percent of the payment for ALS emergency transports and 105 percent of the payment for BLS non-emergency transports. While MA plans have the ability to pay more or less than Traditional Medicare, based on anecdote we believe MA plan rates for ground ambulance services are comparable. Therefore this example suggests MA plan enrollees may be paying for more than 20 percent of this service if plans are paying ambulance entities a rate equal to traditional Medicare.

State Variation

Across all states the average MA plan copayment for ground ambulance services was higher than the Traditional Medicare cost sharing equivalent, but levels varied significantly across states. In five states, average MA plan copayments exceeded $300 per transport (Vermont, Iowa, Montana, South Dakota, and Maine) (Figure 1). In five other states, average MA plan copayments were lower than $240 per transport (Hawaii, North Dakota, Rhode Island, California, and Florida). Yet in all states the average MA plan copayments were higher than the estimated cost sharing responsibility under Traditional Medicare for a ground ambulance transport. Further, high copayment states were in part the result of relatively few plans operating in the state. Low copayment states tended to be those where at least one MA plan offered a $0 copayment benefit package.

Figure 1. Average state-level Medicare Advantage plan copayment amount for ground ambulance services relative to estimated cost sharing under Traditional Medicare, 2025



Source: HMA analysis of 2025 MA Plan Benefit Package (PBP) data using the Wakely Medicare Advantage Competitive Analysis Tool.

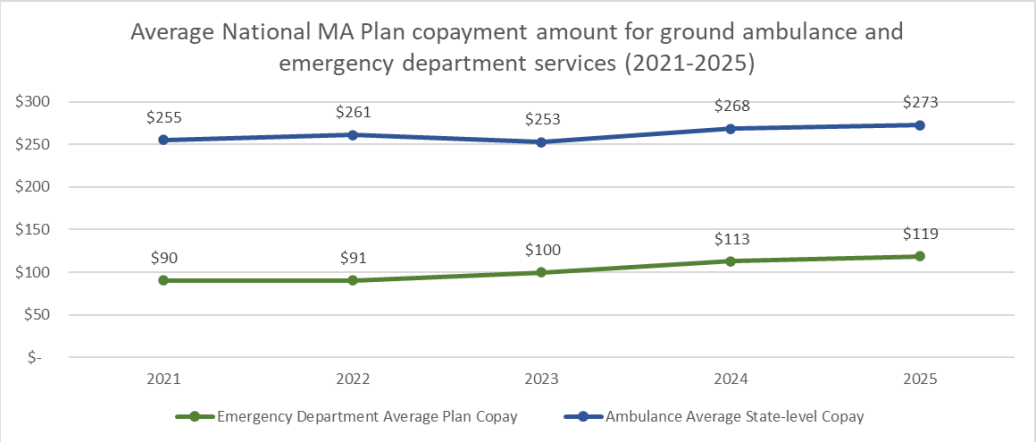
Between 2021 and 2025, the national average copayment for ground ambulance transports across all MA plans increased 7 percent, from $255 to $273. Over this period, 14 states had average copayment increases greater than 10%, with the largest increases in Vermont and Massachusetts (40% and 21% respectively). By contrast, in five states, average ground ambulance copayments decreased between <1 percent and 19 percent (North Dakota, Florida, Hawaii, California, and Connecticut).

Ground Ambulance Compared to Emergency Department Copayments

Copayments from ground ambulance services are higher than copayments for emergency department services. Across the five-year period from 2021 to 2025, average MA plan copayments were consistently higher than average MA plan copayments for emergency department services (Figure 2). Specifically, in 2025, average MA plan copayment amounts for ground ambulance services ($273) were 229 percent higher than for emergency department services ($119). In addition, the average ground ambulance copayment amount is higher than for emergency department services in all 50 states, with the average ground ambulance copayment ranging from 145 percent to 278 percent of the copayment for emergency department services.

Further, while average MA plan copayments for ground ambulance services in 2025 account for more than 50 percent of the payment for ALS emergency transports and 105 percent of the payment for BLS non-emergency transports (described above), copayments for emergency department services are lower relative to payment and consistent with the Medicare Part B standard. Under Traditional Medicare in 2025 the average copayment for an emergency department service was $119, reflecting 20 percent of the average Medicare payment for emergency department services in 2025, at $594.

Figure 2. Change in average Medicare Advantage plan copayment amount for ground ambulance services and emergency department services, 2025.



Plan-level Detail

Between 2021 and 2025 the number of states with plans where copayments exceeded $300 per ground ambulance transport increased from 35 to 47 states, a 34 percent increase. At the same time the number of states with plans offering $0 copayments for ground ambulance services increased from 10 to 22, a 120 percent increase. Overall the number MA plans with $0 copayments represent a minority of plans, accounting for only 7 percent of MA plans which serve 22 percent of MA beneficiaries nationally. In 2025, these $0 copayment plans were highly concentrated in Florida.

Unpaid Beneficiary Copayments

In a separate analysis, HMA surveyed a small but geographically diverse sample of ground ambulance entities to assess the extent to which MA plan enrollees pay their copayments to ground ambulance entities. We found that in 2024, 16 percent of ground ambulance transports for MA plan enrollees had copayments that were completely unpaid by the enrollee, and this ranged from 2 percent to 39 percent of MA plan transports depending on the entity. Further we found that 15 percent of ground ambulance transports for MA plan enrollees had copayments that were partially unpaid, and this ranged from 1 percent to 32 percent of MA plan transports depending on the entity. Therefore, we estimate that roughly 30 percent of ground ambulance transports have copayments that were unpaid to some degree. These high rates may be in part due to ground ambulance entities being unable to collect patient cost sharing on the same day service is provided, unlike care provided at physician offices or hospitals where patients are often asked to pay their cost sharing on the same day service is delivered. These findings may reflect patients' inability to pay for cost sharing liability rather than an unwillingness to pay.

ANALYSIS

The confluence of high MA plan copayment levels for ground ambulance services and the growth of MA program enrollment heightens financial risk for beneficiaries and ground ambulance entities. MA plans appear

to be shifting a large share, and in some cases all, of the financial responsibility for ground ambulance services to enrollees. The higher costs of using these services may deter beneficiaries from relying on ambulance services when these services are otherwise medically necessary. Under use of these essential services may lead to poor long-term patient health outcomes and higher long-term costs for the Medicare program and beneficiaries. For ground ambulance entities providing these services, higher and unpaid copayments may lead to financial instability and/or the retraction of both service areas and service offerings.

To mitigate the financial risks posed by high and often unpaid copayments, policymakers could consider several policy proposals to reduce state-level variation with ground ambulance cost sharing and promote greater consistency with Traditional Medicare.

A. Add ground ambulance services to the list of services CMS has established cost sharing caps for under the Medicare Advantage program. Beginning in 2023, MA plans using coinsurance must not exceed the coinsurance charged within traditional Medicare, and for MA plans using copayments they must not exceed an actuarially equivalent value of the benefit provided for the following services: chemotherapy administration, renal dialysis, skilled nursing care, home health, durable medical equipment, and Medicare Part B drugs.[3] The Secretary has the authority to expand this list of services if the Secretary determines the service "requires a high level of predictability and transparency for beneficiaries."[4]
B. Establish federal copayment standards specific to ground ambulance services under Medicare Advantage that are aligned with copayments for emergency department services.
C. Strengthen provider protections for unpaid copayments, such as requiring plans and providers to share the financial risk related to unpaid copayments.

As enrollment in MA continues to grow, ensuring that ground ambulance services remain financially sustainable and accessible will require thoughtful policy action. Addressing high, frequently unpaid copayments is critical to protecting beneficiaries from excessive financial burden and safeguarding the financial stability of ambulance providers.

ACKNOWLEDGEMENTS

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ABOUT HMA

HMA is a leading independent national research and consulting firm specializing in publicly funded healthcare. Founded in 1985, HMA has over 700 consultants working in more than 20 state cities including Washington D.C. Our consultants support clients on Medicare, Medicaid, and commercial insurance policy topics as well as with public health, clinical, and organizational strategy. For this assessment, HMA's authors and analytic team included: Zachary Gaumer (Managing Principal) and Mikayla Curtis (Research Associate).

ENDNOTES

[1] Ochieng N, Freed M, Biniek JF, Damico A, and Neuman T. Medicare Advantage in 2025: Enrollment Update and Key Trends. KFF. July 28, 2025. Available at: https://www.kff.org/medicare/medicare-advantage-enrollment-update-and-key-trends/
[2] Centers for Medicare & Medicaid Services. Plan Benefit Package Data. Available at: https://www.cms.gov/data-research/statistics-trends-and-reports/medicare-advantagepart-d-contract-and-enrollment-data/benefits-data
[3] 42 C.F.R. § 422.100(j).
[4] SSA § 1852(a)(1)(B)(iii) & (iv).