

24

JUL 26 2006

57 Allegheny County Airport
West Mifflin, PA 15122-2669
412.466.2500
www.cjsystemsaviation.com



July 26, 2006

The Honorable Mark McClellan
Administrator
Center for Medicare and Medicaid Services
Hubert Humphrey Building, Room 314-G
200 Independence Ave., SW
Washington, DC 20201

RE: Comments to CMS-1317-P; Revisions to the Payment Policies of Ambulance Services under the Fee Schedule for Ambulance Services

Dear Dr. McClellan:

I am writing to you on behalf of CJ Systems Aviation, a leader in air medical transport services. The purpose of this letter is to convey our concerns with respect to the recently published Proposed Rule titled "Medicare Program; Revisions to the Payment Policies of Ambulance Services under the Fee Schedule for Ambulance Services" 71 Federal Register 30358 (May 26, 2006). We understand that our trade association, the Association of Air Medical Services, has also provided its comments on behalf of the industry, however as a leader in the industry we felt compelled to offer our comments separately.

While CJ Systems agrees with some of the proposals contained in the Proposed Rules, we have some significant concerns regarding the effect the proposed rule may have on the availability of air medical service to those individuals presently located in what are defined as rural areas. A formula change such as the one proposed will likely cause CJ Systems, as well as other service providers, to re-evaluate whether or not we will be in a position to continue to operate and offer patient care and services to those individuals in need of that care but located in areas which under the proposed rule would be denoted as urban. As written, the proposed rule would serve to pit urban locales against those in rural areas for services.

While it is understandable that changes in urban and rural area designations as the demographics of our country change may be in order, narrowing the definition of rural areas will increase the number of urban areas, thereby greatly decreasing the amount of reimbursement for air ambulance operations in those areas. Operating costs in air medical operations have increased significantly since the fee schedule was developed. This is due to rising fuel, insurance and medical supply costs, as well as personnel shortages. Assuring that aircraft are safely operated and maintained is also an increasingly costly endeavor as ambulance operations strive for the highest levels of safety. By narrowing the definition of rural areas and thereby decreasing the amount of reimbursement to air medical operations by a significant amount, this proposed rule would make operating in previously defined rural areas, where distances require air ambulance services the most, almost fiscally impossible.

We respectfully submit that extra care should be taken not to reduce the current level of ambulance service and spending on a per transport basis in the face of rising cost factors such as fuel, insurance, and medical supplies/personnel.

To CJ Systems every patient is important, and the Company would like to be in a position to offer vital air medical services to all but needs to do so in a fiscally responsible manner. If we cannot, the patient will suffer.

Thank you in advance for your consideration of our views on this important matter, and the opportunity to comment on this proposed rule. We welcome any further opportunity to discuss these comments with representatives of CMS. I may be reached at 412.466.2500.

Sincerely,

Edward R. Marasco
Senior Vice President
Air Medical Services