Communication from Public

Name:
Date Submitted: 12/07/2025 08:37 PM
Council File No: 25-0583
Comments for Public Posting: Please see the attached public comment.

FROM A CONCERNED HEALTHCARE PROVIDER

December 7, 2025

To Honorable Members of The Los Angeles City Council
Transportation Committee

In re Council File: 25-0583: 2024-25 Private Ambulance Service Rate Adjustment

I write to urge the Council not to be misled by the multi-billion-dollar Los Angeles insurance and hospital lobby, which is advocating for a change to a maximum-allowed ambulance rate solely to advance its own financial interests. Such a change would not benefit patients. In fact, it would harm the availability and quality of private ambulance services in our city. The proposal advanced by the Los Angeles insurance and hospital lobby is not supported by California law, conflicts with the statewide regulatory framework, and would have adverse consequences for the availability of private ambulance services in the City.

First, patients are already protected under state law. California has enacted a comprehensive statutory scheme governing the maximum amounts that ground ambulance providers may charge patients for emergency services. That framework establishes a binding statewide cap and expressly occupies the field with respect to patient charges. It does not, however, impose or authorize any limits on the prices that ambulance providers may charge commercial insurers or hospitals. The omission is deliberate: the Legislature drew a distinction between consumer protection on one hand and privately negotiated reimbursement rates on the other.

Second, no California jurisdiction has enacted a maximum allowable rate for the purpose of capping charges by ambulance companies to insurers or hospitals. Existing local maximum-rate ordinances were adopted to protect patients before the Legislature established a statewide cap. To the extent such ordinances remain on the books, they no longer serve their original function. Because the state has since enacted a comprehensive framework governing maximum patient charges, those pre-existing local provisions are now legally vulnerable under ordinary principles of state-law preemption.

Third, converting the City's rate to a maximum allowable rate would operate solely as a subsidy to dominant market payors. Commercial insurers and hospital systems in Los Angeles hold substantial market power and routinely exercise monopsony-like leverage in rate negotiations. The Council should not be swayed by claims from organizations such as Kaiser Permanente that they are nonprofit entities that "cannot afford" to pay fair-market rates. Kaiser alone holds roughly $67 billion in cash reserves. It would be a profound disservice to the residents of Los Angeles if the Council were to enter into a last-minute agreement that enriches the insurance and hospital lobby at the expense of emergency medical readiness, private capital investment, and the sustainability of ambulance services. Imposing a City-mandated ceiling on what they can be charged—while simultaneously removing any corresponding floor—would permit these insurance and hospital entities to force ambulance reimbursement rates below sustainable levels. This has already happened, with AMR ambulance ceasing to provide non-emergency ambulance services in the county of Los Angeles for precisely this reason. Accordingly, the proposed amendment would directly threaten the continued availability and quality of private ambulance services, a core component of the City's emergency-response infrastructure.

If the Council nevertheless elects to move toward a negotiation-based reimbursement model, the City must avoid creating a one-sided regulatory framework. A system that eliminates a floor while retaining a ceiling would distort negotiations in favor of insurers and hospitals and against ambulance providers. If the City withdraws from rate-setting, the principles of parity and competitive neutrality require that it eliminate both the floor and the ceiling.

For these reasons, the proposed maximum-allowable-rate amendment supported by the insurance and hospital lobby is inconsistent with California law and is unsound as a matter of policy. The Council should decline to adopt it and should adopt the proposed Board Order as originally presented and approved by the Transportation Committee.

Sincerely,

Concerned Healthcare Provider

Cost Issues Lead AMR to Shut Down Non-Emergency Ambulance Division in LA County

9.13.2022

The closure will take place over the next 180 days. AMR will redirect these non-emergency resources to support core emergency operations.

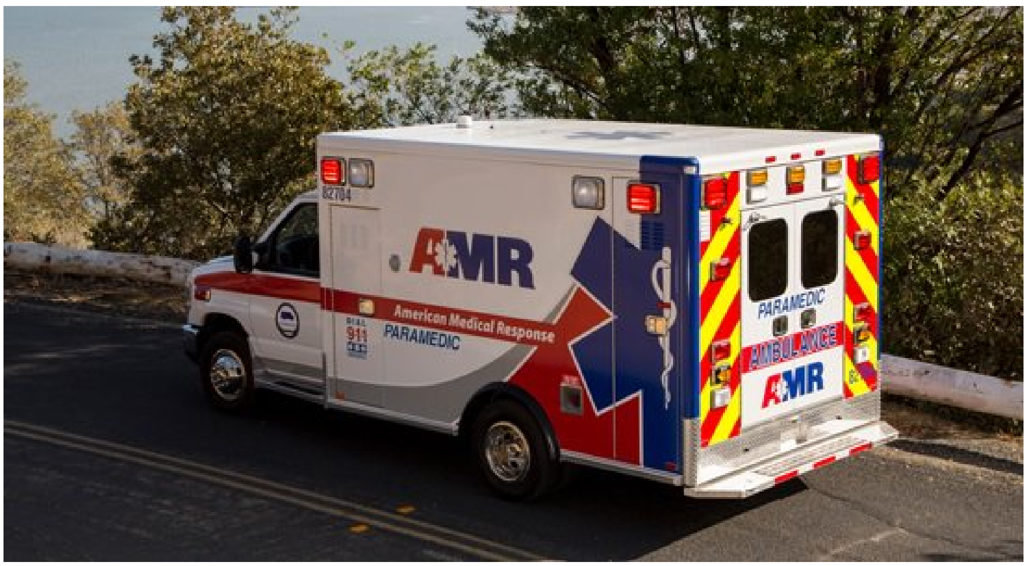
American Medical Response (AMR), which has served Los Angeles County for over 50 years, has made the difficult decision to close the Company's Los Angeles County non-emergency operations. The closure will take place over the next 180 days. This division employs over 170 employees, including EMTs, paramedics, dispatchers, and nurses, and provides approximately 28,000 non-emergency ambulance transports a year.

California has not increased Medi-Cal reimbursement for private ambulance operators since the late 1990s. The current Medi-Cal base rate for private ambulance services sits just above $100, which is far below our cost of providing the transport. The State's Medi-Cal reimbursement rate is one of the lowest in the country, but it also has the highest operational costs for ambulance transports. What's more, we are not subsidized by taxpayer funds like public agencies, and almost 80% of our patients pay nothing or below cost for our services. When you combine current reimbursement shortfalls with recent inflationary pressures, our Los Angeles division is on course to have an operational deficit of over $3.5 million.

With the support of our labor unions, including the United EMS Workers - AFSCME and National Association of Government Employees (NAGE), AMR and other ambulance providers throughout the State made requests to the legislature for a Medi-Cal increase tied to higher wages for EMTs, paramedics, and dispatchers. But despite a billion-dollar budget surplus no funding was approved in this year's State budget for an increase. Instead, the State moved forward to increase fire department's Medi-Cal reimbursement for ambulance transports to over $1000 even though taxpayers already cover the cost to provide these services. In addition, the legislature denied private EMTs and paramedics the healthcare worker bonus because they were determined to be non-essential to the COVID response even though private industry provides 70% of California's emergency and non-emergency ambulance services.

"As we continue to experience the financial impacts of low Medi-Cal reimbursement, a tight labor market, and recent federal, state, and local policy decisions that have negatively impacted our ability to provide both emergency and non-emergency ambulance services, AMR has no choice but to work diligently and swiftly to protect our core emergency 911 operations to ensure we can meet the needs of our patients and communities we serve," said Ken Liebman, Regional Director of Operations for AMR.

AMR intends to move as much of the workforce as possible from the impacted non-emergency division over to the emergency side of our operations in the County. AMR management will also work with the County and other stakeholders to minimize the impact on the healthcare system as they seek out other providers to cover the 28,000 yearly transports currently provided by AMR's non-emergency division.



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PRESS RELEASES OCT 20, 2025

NEW REPORT DETAILS KAISER PERMANENTE'S $67 BILLION IN FINANCIAL RESERVES

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FOR IMMEDIATE RELEASE
October 20, 2025

Contact:
Press@unacuhcp.org

NEW REPORT DETAILS KAISER PERMANENTE'S $67 BILLION IN FINANCIAL RESERVES

A new analysis highlights the scale of Kaiser Permanente's financial position, reporting that the health care system is currently holding $67.4 billion in reserves, up from $40 billion just four years ago. The findings provide new context for ongoing conversations about the role and structure of large nonprofit health care systems in the United States.

Kaiser reported total gains of $5.5 billion from investments and other income in 2024, including $569 million in operating income, per The Center for Media and Democracy's report, published Saturday. A notable portion of this growth is tied to investment activity: between December 2023 and June 2025, Kaiser's allocations to hedge funds increased by $1.1 billion, and private equity holdings rose by $1.9 billion.

The report notes that Kaiser's large reserve levels are uncommon in scale among nonprofit health systems. Analysts suggest that this could contribute to ongoing discussions about how nonprofit health care organizations manage and deploy financial resources to support care delivery, infrastructure, and community investment.

Executive compensation is also outlined in the analysis. In 2023, CEO Greg Adams received nearly $13 million in total compensation. 18 additional executives earned more than $2 million, and three earned over $4 million. Such figures, while not unprecedented for large health systems, are likely to draw interest from policymakers and industry observers tracking trends in nonprofit governance and leadership pay.

Kaiser Permanente operates as an integrated health care system, combining health insurance, hospital services, and physician care under a single structure. While the health plan and hospitals are legally nonprofit entities, the affiliated medical group operates as a for-profit entity. The organization's governance includes leaders from across the private and nonprofit sectors.

The Center for Media and Democracy's analysis suggests that the size of Kaiser's reserves may play a significant role in future strategic and policy discussions, particularly as health systems face growing demands for investment in patient care, workforce development, and community health initiatives.

Kaiser Permanente is one of the largest integrated health care systems in the United States, headquartered in Oakland, California. Founded as a nonprofit health system, Kaiser serves more than 12 million members across multiple states and employs over 300,000 people.

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United Nurses Associations of California/Union of Health Care Professionals (UNAC/UHCP) represents more than 40,000 registered nurses and healthcare professionals in California and Hawaii, including optometrists; pharmacists; physical, occupational and speech therapists; case managers; nurse midwives; social workers; clinical lab scientists; physician assistants and nurse practitioners; hospital support and technical staff. UNAC/UHCP is affiliated with the National Union of Hospital and Health Care Employees (NUHHCE) and the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO.

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