



# Ground Ambulance & Patient Billing Advisory Committee

Congress Recognized Need to Create Tailored Solution  
Specific to Ground Ambulance Services



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# Ambulance Community & Congress Sought to Protect Patients

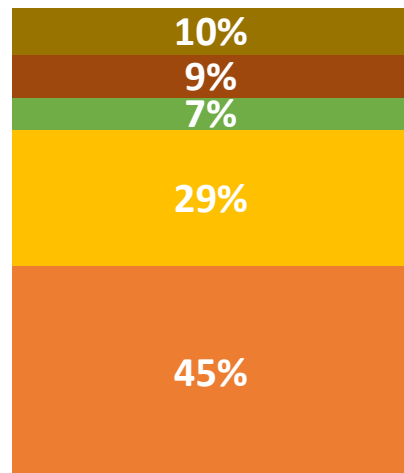
- When call 911 anywhere in the country, an ambulance will come
- Patients and ground ambulance service suppliers are forced into balance billing situations because of insurance company practices

If get "Surprise Billing" wrong, the country's emergency medical response system will be severely limited or disappear



# Ground Ambulance in Crisis Already: 911 System at Risk

Percentage of Ground Ambulance  
Suppliers by Number of Transports



Percent of Transports

- Payment system crisis
  - Nearly 75% provide < 800 transports each year
  - Not paid when provide services without transport
  - HHS: costs increase when fewer transports
- Workforce crisis
  - Impacting costs and access
- Rural health care access crisis
  - 77% of rural counties are Health Professional Shortage Areas; 9% percent have no physicians
  - Rural hospitals closing
  - > 1/3<sup>rd</sup> of rural ground ambulances EMS are in danger of closing

# Ground Ambulance Service Suppliers Forced Into “No Win” Situation

- Insurers stopped negotiating with suppliers
  - Offer one rate regardless of network status
  - Rates often at or below Medicare, which Congress recognized as inadequate
  - Refuse to negotiate, even when required by state law
  - Many small services have to accept the rates or risk not making payroll or paying bills
- Results in most being out-of-network
  - Recent analysis found that 85% emergency claims OON<sup>1</sup>
  - Reports of potential surprise billing establish plans not reimbursing
  - Rate of actual surprise billing unknown

<sup>1</sup>Loaren Adler, *et al.* “Ground Ambulance Billing and Prices Differ by Ownership Structure.” *Health Affairs* (Feb. 2023).

# Example: Lack of Negotiation Opportunity, Same Rates for In or Out of Network



October 10, 2018

Dear Ambulance Provider,

Your company has been identified as an ambulance provider that has rendered services to Anthem Blue Cross and Blue Shield (Anthem) members on a non-participating basis. The purpose of this letter is to invite you to apply to become a participating provider in our ground ambulance network.

There are many benefits that come along with becoming an Anthem ground ambulance network participating provider. One of these benefits is secure access to Online Provider Services via myanthem.com and www.availity.com, online tools that allow you to check member eligibility and claim status at the click of your mouse!

Another benefit of network participation is that you will be assigned a dedicated provider network manager who can address your specific contracting questions and concerns. As an Anthem participating network provider, **you will receive direct payment** and will also have high visibility to our physician, facility and member community via our online provider directory.

Below are the allowances for services rendered in the Indiana Health Service Area. **These allowances will also apply to non-participating providers effective 11/1/2018.**

•	A0425	\$8.60	•	A0428	\$251	•	A0433	\$691
•	A0426	\$301	•	A0429	\$402	•	A0434	\$816
•	A0427	\$477	•	A0432	\$439	•	A0998	\$360

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# Congress Seeks Answers to Several Questions to Tailor Policies

## Oversight

- Strong state and local governments oversight
- Congress concerned about interfering with matters outside the scope of their constitutional authority, including rate setting and medical protocols

## Cost

- Cost of providing ground ambulance services uncertain
- Congress established the ground ambulance data collection system as a step to understanding costs of providing health care services and fixing the broken payment system

## Definition

- Definition a surprise bill not necessarily the same
- Some states require ground ambulance service suppliers to bill patients
- Often ground ambulance services do not have patient insurance information, so start by billing patient

## Market

- Market dynamics differ for ground ambulance service suppliers
- Plans know suppliers must respond and treat (even if not transport) without knowing insurance status



# Oversight: Congress Sought to Protect State, Local Sovereignty

- State and local governments responsible for providing emergency medical response systems
  - Establish service areas based on community resources and location of health care facilities
  - Regulate the scope of services
  - Establish and/or approve medical protocols
  - Establish the reimbursement rates
  - Contract with ground ambulance service organizations through competitive process
  - Require provision of services to anyone regardless of ability to pay
- Sources include state constitutional provisions, statutes, regulations, ordinances

## AAA Survey of Members Demonstrate Strong State/Local Control

- 94% of AAA Members report having a State or local law that establishes rates
- 80% of AAA Members report having a State or local law that mandates specific services

Congress wanted to avoid usurping state and local authority to establish EMS systems

# Cost: Congress Sought Better Information on Ground Ambulance Service Costs



## Congress Mandated Data Collection System

Currently no Cost Reports for Ground Ambulance Service Organizations; hospital cost reports incomplete

CMS Tool
Use of a CMS created data collection tool
Scope to include cost and revenue sources
Allocation rules support separating ground ambulance from other cost centers, including air, public safety, hospital, etc
Cost components for data collection instrument
Support collecting organization characteristics
Support including cost of readiness through total costs rather than a separate calculation that individual suppliers would have to make
Revenue components for data collection instrument, Medicare’s contributions to total revenue, collecting bad debt, uncompensated (charity) care, need to track paid and unpaid transports to better understand unpaid transports
Data collection periods and allowing for both CY and FY reporting

Goal is to understand the cost of providing the services to reform the payment model



# Definition: Congress Sought Clarity on What Constitutes Surprise Billing

## Not surprise bills, but perceived as such

- Some states require ground ambulance to bill patient first
- Some patients do not/cannot provide insurance information, so patient billed
- EMS claims often first to hit insurers, so deductibles apply
- Some plans apply copayment requirements that are almost equal to the cost of the services
- Some plans differentiate between “emergency” and “ground ambulance services” limiting coverage so that patients’ lack the coverage they thought they had
- Some plans pay enrollees and force ambulance services to seek reimbursement from the patients/enrollees

## Scope of problem unclear

- *Health Affairs* reported 69% of ground ambulance claims in 2017 where claims where the out-of-network charges were not paid by the insurance company, yet actual percentage of billing patients for the unpaid charges unknown

# Market: Congress Sought to Understand Market Dynamics Favoring Insurers

## Local governments always “shopping”

- Provide the emergency medical services at the rates set by the government

## Ambulances cannot turn down a request for service

- Cannot turn away patients if do not have insurance or insurance information
- Not permitted to bill if patient is not transported

## Lack of market power evidence by insurer behavior not to negotiate

- Low volume of claims for a particular insurer
- Mandator response requirements
- Enrollees guaranteed access, no matter the rates insurers pay

# Congress Understood NSA Policies Would Not Necessarily Work for Ground Ambulance Service Suppliers

Assumes ground ambulance service suppliers can bill claims the same way other provider do, but that is not the case

2023 of \$350 fee for each claim will exceed the average amount sought – ground ambulance claims comprise of 2 parts – mileage and base rate so for one patient the “entry fee” will be \$700

- Prohibition
- Amount Paid
- Arbitration
- Provider Protections

NSA requires payment standard (QPA) to be based on negotiated in-network rates

Not appropriate when most plans do not negotiate

Ignores state and local rate setting and medical protocol requirements

The provider protections needed for ground ambulance service suppliers

# Congress Established the Advisory Committee as Pathway to a Solution that Protects Patients & Access to Ground Ambulances Services



Important  
to protect  
American's  
emergency  
medical,  
911 system

Define "balance" bills appropriately

Establish consumer protections to address certain insurer practices

Incorporate state, local laws related to rates and services

Identify and recognize market dynamics unique to ground ambulance services

Understand the cost of providing ground ambulance services, recognizing ground ambulance data collection system