



# Ground Ambulance & Patient Billing Advisory Committee

Potential Legislative and Regulatory Options to Prevent Balance Billing



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# Reduce Cost Shift

## Texas Ambulance Supplemental Payment Program FY19 Cost Report - Trip Statistics at a Glance



**PUBLIC**  
CONSULTING GROUP



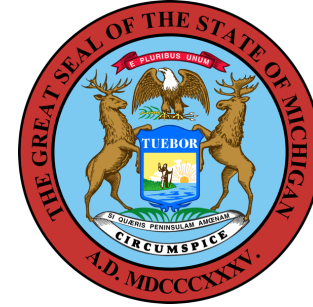
<i>Providers</i>	Average of All Providers	MedStar
<i>Charge/Trip</i>	\$ 1,300.10	<b>\$ 1,443.55</b>
<i>Cost/Trip</i>	\$ 2,133.22	<b>\$ 396.01</b>

Payer Class	Billed	Paid
Medicare	\$1,443.53	\$425.00
Medicaid	\$1,443.53	<b>\$220.00</b>
Commercial	\$1,443.53	<b>\$902.22</b>
Self-Pay	\$1,443.53	\$43.31
<b>Total/Average</b>	<b>\$1,443.53</b>	<b>\$397.75</b>

Payer Class	Billed	Paid
Medicare	\$900.00	\$425.00
Medicaid	\$900.00	<b>\$425.00</b>
Commercial	\$900.00	<b>\$720.00</b>
Self-Pay	\$900.00	\$43.31
<b>Total/Average</b>	<b>\$900.00</b>	<b>\$403.33</b>

# Public Notice

## **Michigan Department of Health and Human Services Health and Aging Services Administration Medicaid Ambulance Rate Adjustment**



The Michigan Department of Health and Human Services (MDHHS) intends to adjust reimbursement rates for Medicaid covered ambulance services.

In response to Section 1788 of Public Act 87 of 2021, MDHHS began reimbursing ground ambulance services at 100% of Medicare base rates (Locality 01) effective for dates of service on or after November 1, 2021.

For dates of service on or after January 1, 2022, reimbursement will align with Medicare's Calendar Year 2022 base rates.

## Provider Cost Per Trip Analysis

### ALL PROVIDER STATISTICS

	2019	2020	2021
Provider Count	371	363	385
Average Cost Per Trip Inclusive of Outliers	\$ 2,604.66	\$ 2,866.37	\$ 2,750.40
Average Cost Per Trip - Outliers Removed	\$ 2,132.89	\$ 2,361.06	\$ 2,351.34

### FIRE & EMS Providers

	2019	2020	2021
Provider Count	302	300	312
Average Cost Per Trip Inclusive of Outliers	\$ 2,945.55	\$ 3,223.20	\$ 3,106.41
Average Cost Per Trip - Outliers Removed	\$ 2,405.44	\$ 2,673.78	\$ 2,680.77

### EMS Only Service Providers

	2019	2020	2021
Provider Count	69	63	72
Average Cost Per Trip Inclusive of Outliers	\$ 1,127.47	\$ 1,190.35	\$ 1,242.06
Average Cost Per Trip - Outliers Removed	\$ 975.60	\$ 1,008.59	\$ 1,026.32

# Require Coverage

- **Coverage for emergency ambulance service not required**
  - Most insureds believe it is part of their plan
- **Include coverage for Non-Transport**
  - EMS only paid for transport
  - Many EMS calls do not require transport
  - When patient declines transport, generally no coverage
    - Results in bill to the patient for Treat-No Transport fee

# Assure Commercial Insurance Reimbursement Adequacy

- **Variations in commercial insurance ‘allowable’ rates**
  - Some use *Medicare* or *Medicaid* rates
  - Some use ‘arbitrary’ amounts
- **Require use of regional fee schedule as a basis for ‘allowable’ rates**



# Commercial Reimbursement Data: 2021



Commercial Payer	Services	Gross Charges	Average Patient Charge	Insurance Reimbursement	Average Insurance Payment	Patient Responsibility
Blue Cross Blue Shield Of Tx	7,745	\$12,834,810	\$1,657.17	\$7,626,145	\$984.65	\$672.52
United Healthcare 31	2,427	\$4,016,792	\$1,655.04	\$2,031,008	\$836.84	\$818.21
Aetna PPO 14	1,529	\$2,514,526	\$1,644.56	\$1,134,199	\$741.79	\$902.76
Cigna 4	1,508	\$2,504,317	\$1,660.69	\$1,506,596	\$999.07	\$661.62
Ambetter of Texas	588	\$1,017,882	\$1,731.09	\$213,867	\$363.72	\$1,367.37
Blue Cross Blue Shield Fed	483	\$794,426	\$1,644.78	\$739,131	\$1,530.29	\$114.48
UMR Salt Lake City	360	\$594,618	\$1,651.72	\$348,983	\$969.40	\$682.32
United Healthcare 1	215	\$378,585	\$1,760.86	\$184,335	\$857.37	\$903.49
Meritain Health ERISA Plan	98	\$163,096	\$1,664.24	\$89,146	\$909.66	\$754.58
Scott and White Insurance	86	\$142,356	\$1,655.30	\$56,057	\$651.82	\$1,003.47
Allsavers	77	\$121,331	\$1,575.72	\$30,922	\$401.59	\$1,174.13
Oscar Insurance of Texas	67	\$113,074	\$1,687.68	\$3,807	\$56.82	\$1,630.85
Cigna 188061	65	\$110,286	\$1,696.71	\$35,243	\$542.21	\$1,154.50
<b>Total/Average</b>	<b>17,334</b>	<b>\$28,816,610</b>	<b>\$1,662.43</b>	<b>\$15,575,665</b>	<b>\$898.56</b>	<b>\$763.87</b>





# Commercial Reimbursement Data: 2021



Payer	Services Billed	Total Billed Amount	Average Charge	Insurance Paid	Avg. Ins. Payment	Insurance %	Patient Billed	Avg. Patient Bill	Patient Paid	Patient Paid Per Service	Patient Paid %
Blue Cross Blue Shield Of Tx	7,745	\$12,834,810	\$1,657.17	\$7,626,145	\$984.65	59.4%	\$5,152,043	\$665.21	\$824,089	\$106.40	16.0%
United Healthcare 31	2,427	\$4,016,792	\$1,655.04	\$2,031,008	\$836.84	50.6%	\$1,958,143	\$806.82	\$212,219	\$87.44	10.8%
Aetna PPO 14	1,529	\$2,514,526	\$1,644.56	\$1,134,199	\$741.79	45.1%	\$1,360,355	\$889.70	\$154,490	\$101.04	11.4%
Cigna 4	1,508	\$2,504,317	\$1,660.69	\$1,506,596	\$999.07	60.2%	\$983,420	\$652.14	\$98,280	\$65.17	10.0%
VHA OFFICE OF COMMUNITY CARE	610	\$1,063,347	\$1,743.19	\$704,604	\$1,155.09	66.3%	\$349,476	\$572.91	\$12,043	\$19.74	3.4%
Ambetter of Texas	588	\$1,017,882	\$1,731.09	\$213,867	\$363.72	21.0%	\$798,924	\$1,358.71	\$87,778	\$149.28	11.0%
Veterans Administration Bonham	605	\$986,953	\$1,631.33	\$609,509	\$1,007.45	61.8%	\$352,816	\$583.17	\$10,103	\$16.70	2.9%
Fhfs Wps Tricare	544	\$889,377	\$1,634.88	\$199,575	\$366.87	22.4%	\$684,300	\$1,257.91	\$21,925	\$40.30	3.2%
Blue Cross Blue Shield Fed	483	\$794,426	\$1,644.78	\$739,131	\$1,530.29	93.0%	\$61,813	\$127.98	\$19,727	\$40.84	31.9%
UMR Salt Lake City	360	\$594,618	\$1,651.72	\$348,983	\$969.40	58.7%	\$244,285	\$678.57	\$29,303	\$81.40	12.0%
United Healthcare 1	215	\$378,585	\$1,760.86	\$184,335	\$857.37	48.7%	\$192,209	\$893.99	\$15,913	\$74.01	8.3%
Meritain Health ERISA Plan	98	\$163,096	\$1,664.24	\$89,146	\$909.66	54.7%	\$70,091	\$715.22	\$2,352	\$24.00	3.4%
Scott and White Insurance	86	\$142,356	\$1,655.30	\$56,057	\$651.82	39.4%	\$85,775	\$997.38	\$13,083	\$152.13	15.3%
Allsavers	77	\$121,331	\$1,575.72	\$30,922	\$401.59	25.5%	\$89,117	\$1,157.36	\$18,299	\$237.64	20.5%
Oscar Insurance of Texas	67	\$113,074	\$1,687.68	\$3,807	\$56.82	3.4%	\$107,650	\$1,606.71	\$6,988	\$104.31	6.5%
Cigna 188061	65	\$110,286	\$1,696.71	\$35,243	\$542.21	32.0%	\$63,803	\$981.58	\$9,848	\$151.51	15.4%
<b>Total</b>	<b>17,334</b>	<b>\$28,816,610</b>	<b>\$1,662.43</b>	<b>\$15,575,665</b>	<b>\$898.56</b>	<b>54.1%</b>	<b>\$13,060,148</b>	<b>\$753.44</b>	<b>\$1,554,881</b>	<b>\$89.70</b>	<b>11.9%</b>



# Why are Ambulance Fee's What They Are?

- **Providers attempt to assure revenue = cost of service delivery**
  - Non-Subsidized Providers = FFS revenue meets cost
  - Tax Subsidy = FFS offsets costs as much as possible
- **Low reimbursement from some payers result in the need for higher reimbursement from others**
  - Cost-Shift

# Assure Medicare & Medicaid Reimbursement Adequacy

- **Medicare & Medicaid generally reimburse less than the cost of service delivery**
  - Results in pressure for higher reimbursement from commercial payers (cost shift)
    - And higher fees to offset low Medicare and Medicaid reimbursement
  - Use upcoming CMS Ground Ambulance Cost Data Collection process as a **reasonable estimate of service delivery cost**
  - Set Medicare and Medicaid allowable rates to at least cost of service delivery
    - Emergency and non-emergency services



# DEPARTMENT OF REGULATORY AGENCIES

## Division of Insurance

3 CCR 702-4

### LIFE, ACCIDENT AND HEALTH

New Regulation 4-2-66



#### Section 5: Payment Methodology Rules

- A. Carriers shall reimburse a non-contracted service agency that provides emergency ambulance services to a covered person at two hundred seventy-five percent (275%) of the Medicare reimbursement rate for the same service provided in the same geographic area, including mileage.
- D. Covered persons shall only be responsible for the applicable in-network deductible, coinsurance, and/or copayment they would be required to pay for in-network emergency ambulance services.
- E. Payment made in compliance with Section 5.A. of this regulation shall be considered payment in full for the covered services provided, except for any in-network deductible, coinsurance and/or copayment amount required to be paid by the covered person.

# Assure Commercial Insurance Reimbursement to Provider

- **Many commercial insurers reimburse the PATIENT**
  - Despite assignment of benefit signatures
  - Requires **provider** to bill the patient the full amount
    - Private pay collection rate ~3%

# Protect the Patient from Payment Disputes

- **Require arbitration between payer and provider**
  - Allow the arbitrator flexibility to consider
    - Cost of service delivery
    - Average regional charges/fees

Balance billing protections | Senate Bill 1264 biennial report

## Overview

In 2019, the Texas Legislature passed Senate Bill 1264 to protect consumers who have certain state-regulated health plans from surprise medical bills. The new law requires the Texas Department of Insurance (TDI) to issue a report on the impacts of the legislation each biennium. This report includes arbitration and mediation information maintained by TDI and the data collected from health plans as authorized by SB 1264. Because of the limited time covered, the data does not yet support trend analysis. This initial set of data creates a foundation for future reports and analyses.

## Arbitration

SB 1264 outlines an arbitration process for billing disputes between out-of-network health care providers (not facilities) and health plans. From January 1 through October 31, 2020, TDI received 32,036 requests for arbitration.

### Settled in informal teleconference

Most provider requests for dispute resolution are settled during an informal teleconference before an arbitrator is assigned.



### Decided by an arbitrator



# Thank You!