**HB 1485**

# Department of Legislative Services

Maryland General Assembly
2020 Session

## FISCAL AND POLICY NOTE
**First Reader**

House Bill 1485 (Delegate Corderman, *et al.*)
Health and Government Operations

**Maryland Medical Assistance Program - Emergency Service Transporters - Reimbursement**

This bill requires Medicaid to reimburse an emergency service transporter for the cost of medical services provided to a Medicaid recipient in response to a 9-1-1 call (rather than only for services provided while transporting the recipient to a facility).

## Fiscal Summary

**State Effect:** Medicaid expenditures increase by an indeterminate but potentially significant amount (50% general funds, 50% federal funds) beginning in FY 2021. Federal fund revenues increase accordingly. **This bill increases the cost of an entitlement program beginning in FY 2021.**

**Local Effect:** Local government revenues increase from reimbursement for medical services provided to a Medicaid recipient in response to a 9-1-1 call. Local government expenditures may increase to provide such services, commensurate with revenues.

**Small Business Effect:** None.

## Analysis

**Current Law/Background:** If an emergency service transporter (which includes a public entity or volunteer fire, rescue, or emergency medical service that provides emergency medical services – collectively EMS provider) charges for its services and requests reimbursement from Medicaid, the Maryland Department of Health (MDH) must reimburse the emergency service transporter, in an amount as specified by MDH regulations, for the cost of (1) transportation to a facility in response to a 9-1-1 call and

(2) medical services provided while transporting the Medicaid recipient to a facility in response to a 9-1-1 call.

The current Medicaid rate of reimbursement is $100 per transport. This reimbursement is provided regardless of whether the care provided is at the advanced life support or basic life support level. Services, medications, and supplies provided by EMS at a scene or during transport are not eligible for separate reimbursement outside the $100 transport fee. Medicaid does not reimburse for mileage. To be eligible for reimbursement, EMS must have been dispatched by a 9-1-1 call center and the ambulance must transport the patient to a hospital emergency department (ED) and meet other requirements. Alternative models of care are not eligible for reimbursement by Medicaid.

*Coverage and Reimbursement for Emergency Medical Services Care Delivery Models and Uncompensated Services*

Chapter 605 of 2018 required the Maryland Health Care Commission and the Maryland Institute for Emergency Medical Services Systems (MIEMSS), in consultation with specified entities, to jointly (1) develop a statewide plan for the reimbursement of services provided by EMS providers to Medicaid recipients; (2) identify a process for obtaining Medicare reimbursement for such services; (3) study and make recommendations regarding the desirability and feasibility of reimbursement for such services provided to privately insured individuals; and (4) reports to the Governor and General Assembly by January 1, 2019. The report was submitted in January 2019.

The report explored three models of treatment: (1) EMS treat and release/referral without transport in which EMS responds to a 9-1-1 call, provides treatment at the scene, but the patient declines transport; (2) EMS transport to an alternative destination in which EMS transports 9-1-1 patients with low acuity to an urgent care clinic instead of to a hospital ED; and (3) EMS mobile integrated health (MIH) services in which EMS connects frequent users of the 9-1-1 system who have nonemergency conditions, or multiple underlying medical conditions, with medical and/or social programs within their communities to address the conditions that resulted in the patient's call to 9-1-1. Currently, EMS is not reimbursed for any of these models of treatment.

The report recommended that MIEMSS and Medicaid develop reasonable cost projections for all three models through increased and enhanced collaboration with EMS jurisdictions and Medicaid managed care organizations. Furthermore, the report recommended that Medicaid study the three models of EMS care as it considers total cost of care savings initiatives.

*Alternative Models of Care*

Seven MIH programs operate in Maryland under MIEMSS authorization; they are located in Baltimore City and Charles, Frederick, Montgomery, Prince George's, Queen Anne's, and Wicomico counties. In MIH programs, EMS providers partner with other health care providers, such as nurse practitioners, community health workers, and social workers. The care team conducts home visits to assess, treat, and refer patients to needed services outside the ED. As of December 2018, MIH programs have served more than 800 high-need patients in Maryland. The programs have been established through grants, in-kind services, and donations. Each of these programs has reported a reduction in 9-1-1 transports and a reduction in ED visits for participating patients.

Alternate destination programs transport 9-1-1 patients with low-acuity conditions to an urgent care environment instead of a hospital ED. Maryland EMS data shows that close to 60% of EMS transportation is for individuals with conditions that do not require an ED level of care. Directing a subset of these patients from the ED to urgent care centers or other more appropriate settings could have a significant impact on costs, ED overcrowding and wait times, EMS unit turn-around times, and patient satisfaction. To date, MIEMSS has authorized two alternate destination programs, one in Baltimore City and one in Montgomery County.

*Reimbursement for Alternative Models of Care in Other States*

MIEMMS advises that 14 states have passed legislation to enable new models of EMS care delivery. At least 6 states (Arizona, Georgia, Minnesota, Nevada, Pennsylvania, and Washington) provide Medicaid reimbursement for at least one or more alternative EMS models.

**State Fiscal Effect:** MIEMMS advises that approximately 13% of calls to 9-1-1 do not result in transport to a hospital ED. In calendar 2018, Medicaid reimbursed emergency service transporters for 115,474 transports. Assuming a total of 132,729 calls were made to 9-1-1 by Medicaid recipients, under the bill, Medicaid must reimburse for medical services an emergency service transporter provides for an estimated 17,255 individuals.

Thus, Medicaid expenditures (50% general funds, 50% federal funds) increase by an indeterminate but potentially significant amount beginning in fiscal 2021. Federal fund revenues increase accordingly. *For illustrative purposes only*, if Medicaid were to reimburse at a rate of $100 per encounter for medical services provided to 17,255 individuals, Medicaid expenditures would increase by $1,725,500 (50% general funds, 50% federal funds) on an annual basis.

**Local Fiscal Effect:** Revenues for local jurisdictions with EMS providers increase by a potentially significant amount beginning in fiscal 2021 due to receipt of reimbursement for medical services provided to Medicaid recipients in response to a 9-1-1 call if transport is not provided or before transport is provided. Local government EMS expenditures may increase to provide mobile integrated health services or other services but such expenditures are assumed to be commensurate with revenue from Medicaid reimbursements.

## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Health; Maryland Institute for Emergency Medical Services Systems; Department of Legislative Services

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mr/ljm

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