SB 777

Department of Legislative Services

Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 777 (Senator Gallion)
Finance

Maryland Medical Assistance Program - Emergency Service Transporters and Emergency Medical Services Providers - Reimbursement

This bill requires the Maryland Department of Health (MDH) to reimburse an "emergency service transporter" for transportation of a Medicaid recipient to a facility in response to a 9-1-1 call (and any medical services provided during transport) at a rate of at least $200 per transport. MDH must also reimburse an emergency medical services (EMS) provider for "mobile integrated health services" provided to a Medicaid recipient; reimbursement must be specified in regulations and at least $100 per interaction. The definition of "emergency service transporter" is expanded to include a commercial ambulance service.

Fiscal Summary

State Effect: Medicaid expenditures increase by *at least* $8.6 million (50% general funds, 50% federal funds) beginning in FY 2021. Federal fund revenues increase accordingly. Future years reflect annualization. **This bill increases the cost of an entitlement program beginning in FY 2021.**

($ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
FF Revenue	$4.3	$5.8	$5.8	$5.8	$5.8
GF Expenditure	$4.3	$5.8	$5.8	$5.8	$5.8
FF Expenditure	$4.3	$5.8	$5.8	$5.8	$5.8
Net Effect	($4.3)	($5.8)	($5.8)	($5.8)	($5.8)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local government revenues increase from increased reimbursement for EMS transport and mandated reimbursement for additional specified services provided by EMS providers. Local government expenditures may increase to provide such services, commensurate with revenues.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: "Mobile integrated health service" means a community-based preventive, primary, chronic, preadmission, or postadmission health care service or transport provided by an EMS provider to an individual.

Services subject to reimbursement by Medicaid must include (1) specified health care services provided by an EMS provider that are within the scope of practice of the provider and provided in a home or any other community-based setting to a Medicaid recipient who does not require emergency medical transport and (2) transportation provided by the EMS provider to a Medicaid recipient with a low-acuity health condition to and from a location in which urgent health care services are provided to individuals.

Current Law/Background: "Emergency service transporter" means a public entity or volunteer fire, rescue, or emergency medical service that provides emergency medical services.

Medicaid Reimbursement of Emergency Services

If an emergency service transporter charges for its services and requests reimbursement from Medicaid, 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 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) report to the Governor and General Assembly by January 1, 2019. The report was submitted in January 2019.

The report noted that statewide EMS data shows many 9-1-1 callers could be appropriately treated in health care environments that are less intensive and less costly than hospital EDs, such as urgent care centers. Other 9-1-1 patients can be effectively treated by EMS (sometimes in combination with other care providers) at the location where EMS responds to the call.

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 and 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 six states (Arizona, Georgia, Minnesota, Nevada, Pennsylvania, and Washington) provide Medicaid reimbursement for at least one or more alternative EMS models.

State Fiscal Effect: Medicaid expenditures increase by at least $8,660,550 (50% general funds, 50% federal funds) in fiscal 2021, which reflects the bill's October 1, 2020 effective date. This estimate reflects the cost of increasing the reimbursement rate for emergency transports from $100 to $200. In calendar 2018, Medicaid reimbursed emergency service transporters for 115,474 transports at a total cost of $11.5 million. Assuming the number of transports remains constant, Medicaid expenditures increase by $11,547,400 on an annualized basis to increase reimbursement to $200 per transport. Federal fund revenues increase accordingly.

Medicaid advises that, as commercial ambulance services may only respond to a 9-1-1 call if requested to do so by EMS, there is no fiscal impact on Medicaid for expanding the definition of emergency service transporters to include commercial ambulance services.

Medicaid expenditures increase by an additional amount beginning in fiscal 2021 to reimburse EMS providers for (1) MIH services provided to a Medicaid recipient and (2) transportation of Medicaid enrollees with low-acuity health conditions to and from an urgent care center. Given the small number of MIH programs in place at this time, costs are not likely to increase significantly in the near term; however, the number of jurisdictions providing such services is likely to grow with the availability of Medicaid reimbursement. Given the variance in services and program models among current MIH programs, the exact cost to cover such services for Medicaid cannot be reliably estimated at this time and is, therefore, not reflected in this analysis.

Local Fiscal Effect: Revenues for local jurisdictions with EMS providers increase by a potentially significant amount beginning in fiscal 2021 due to increased reimbursement for transport and expanded Medicaid reimbursement for MIH and alternative destination services. There are currently seven MIH programs and two alternative destination programs in place that could begin billing for those services. Local government EMS expenditures may increase to provide MIH services, but such expenditures are assumed to be commensurate with revenue from Medicaid reimbursements.

Small Business Effect: There are 37 licensed commercial ambulance services in the State operating approximately 450 vehicles. To the extent such services are small businesses, these businesses benefit from being able to receive Medicaid reimbursement for EMS transport under the bill.

Additional Information

Prior Introductions: As introduced, SB 682 of 2018 was a similar bill. The bill was amended and enacted as Chapter 605 of 2018, which required the study on coverage and reimbursement of EMS delivery models discussed above.

Designated Cross File: HB 779 (Delegate Hornberger, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Association of County Health Officers; Carroll, Cecil, Harford, Montgomery, and Queen Anne's counties; Maryland Association of Counties; cities of Salisbury and Westminster; Maryland Municipal League; towns of Bel Air and Leonardtown; Maryland Department of Health; Maryland Institute for Emergency Medical Services Systems; Department of Legislative Services

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