

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 44

(Delegate Hornberger, *et al.*)

Health and Government Operations and
 Appropriations

Rules

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

This bill modifies the requirements for Medicaid reimbursement to an emergency service transporter for services provided in response to a 9-1-1 call. Reimbursement must be provided for (1) medical services provided to a Medicaid recipient in response to a 9-1-1 call in situations when the recipient is not transported to a facility and (2) for “mobile integrated health services” (MIH services). Reimbursement for MIH services must be specified in regulations and at least \$100 per interaction. In fiscal 2023, the Maryland Department of Health (MDH) must increase the amount of reimbursement by \$50 for both (1) transportation and medical services and (2) MIH services. MDH must pay at least \$150 for such services in subsequent fiscal years. The bill also requires two specified studies and related reports. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: Medicaid expenditures increase by *at least* \$8.4 million (50% general funds, 50% federal funds) annually beginning in FY 2023; federal fund revenues increase accordingly. **This bill increases the cost of an entitlement program beginning in FY 2023.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FF Revenue	\$4.2	\$4.2	\$4.2	\$4.2	\$4.2
GF Expenditure	\$4.2	\$4.2	\$4.2	\$4.2	\$4.2
FF Expenditure	\$4.2	\$4.2	\$4.2	\$4.2	\$4.2
Net Effect	(\$4.2)	(\$4.2)	(\$4.2)	(\$4.2)	(\$4.2)

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

Local Effect: Local government revenues increase from additional reimbursement for emergency service transport and medical services, including MIH services. The impact on individual local jurisdictions varies, as discussed below. Expenditures are not affected.

Small Business Effect: None.

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 emergency medical services (EMS) provider to an individual.

MIH 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 EMS provider, provided in a home or another community-based setting to a Medicaid recipient who does not require emergency medical transport, and consistent with protocols issued by the EMS Board and (2) transportation provided by the EMS provider to a Medicaid recipient with a “low-acuity health condition” to a location in which urgent health care services are provided to individuals. “Low-acuity health condition” means an illness, injury, or condition serious enough that a reasonable person would seek care immediately but not so severe as to require emergency room care.

MDH, in coordination with the Maryland Institute for Emergency Medical Services Systems (MIEMSS), must study the adequacy of the rate of specified EMS reimbursement under the bill and report its findings and recommendations to the Governor and the General Assembly by November 1, 2024.

MIEMSS must study the emergency and nonemergency interfacility transport system for Medicaid patients, including the process for responding to referral requests in a timely manner, the adequacy of reimbursement related to costs, and performance standards. MIEMSS must report its findings and recommendations to the Senate Finance Committee and the House Health and Government Operations Committee by December 31, 2022.

Current Law: 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, 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 reimbursement rate 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.

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), among other requirements.

Chapter 605 of 2018 required the Maryland Health Care Commission (MHCC) and MIEMSS to, among other things, jointly develop a statewide plan for the reimbursement of services provided by EMS providers to Medicaid recipients. 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, while other callers 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; (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 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.

On March 16, 2021, MDH received approval for a State Plan Amendment (SPA) establishing a public Emergency Service Transporter Supplemental Payment Program (ESPP). ESPP increases funding to eligible emergency service transporters by providing a federal match for qualifying expenditures incurred through the provision of qualifying services. Local expenditures by participating providers are used to draw down the federal matching funds. In fiscal 2022, an estimated \$60.0 million in expenditures will be matched by \$60.0 million in federal Medicaid funds. To participate in ESPP, providers must (1) be enrolled as a Medicaid provider; (2) provide ground emergency transport services to Medicaid recipients; and (3) be a Jurisdictional Emergency Medical Services Operational Program (JEMSOP). As of January 12, 2022, 14 of the 105 JEMSOPs in Maryland participate in ESPP. In calendar 2018, these 14 JEMSOPs provided 82% of Medicaid EMS transports.

State Fiscal Effect: Medicaid expenditures increase by *at least* \$8.4 million (50% general funds, 50% federal funds) in fiscal 2023, which reflects the bill's July 1, 2022 effective date. This estimate reflects the cost of (1) increasing the reimbursement rate for emergency transports from \$100 to \$150 and (2) providing reimbursement for medical services provided to a Medicaid recipient in response to a 9-1-1 call where no transport is made (or where transport is not made to a "facility") – also known as treat and release.

Increased Medicaid Reimbursement for Emergency Transports

In calendar 2018, Medicaid reimbursed emergency service transporters for 115,474 transports at a rate of \$100 per transport, resulting in a total cost of \$11.5 million. Assuming the number of transports remains constant, Medicaid expenditures increase by a total of \$5.8 million in fiscal 2023 to increase reimbursement to \$150 per transport; as noted above, this estimate accounts for the bill's July 1, 2022 effective date. Federal fund revenues increase accordingly. To the extent the number of transports varies, costs increase or decrease accordingly. Future year expenditures reflect reimbursement at a rate of at least \$150 in subsequent fiscal years.

Reimbursement for Treat and Release Medical Services

According to the 2019 MHCC/MIEMSS report, for some 9-1-1 calls, EMS responds, provides care, and the patient refuses ambulance transport to a hospital ED. The most common types of treat and release 9-1-1 patients are those with diabetic hypoglycemia, asthma, or unconscious overdose. For federal participation in the cost of treat and release services, Medicaid must apply for an SPA, as eligibility for reimbursement currently requires that the ambulance transport the patient to a hospital ED. Should the SPA be approved, reimbursement for these services would be eligible for 50% federal matching funds. Assuming an SPA is approved, Medicaid expenditures (50% general funds, 50% federal funds) increase by \$2.6 million in fiscal 2023 to reimburse for treat and release services, which reflects the bill's July 1, 2022 effective date. This estimate reflects that treat and release services are reimbursed for 17,255 Medicaid recipients annually at a rate of \$150. Federal fund revenues increase accordingly.

To the extent the number of Medicaid recipients receiving treat and release services varies, costs increase or decrease accordingly. Future year expenditures reflect reimbursement at a rate of at least \$150 in subsequent fiscal years.

Reimbursement for Mobile Integrated Health Services

Medicaid expenditures increase by an additional amount beginning in fiscal 2023 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.

MIEMSS advises that, as of February 2022, there are 12 MIH programs operated by EMS Operational Programs with programs in Anne Arundel, Cecil, Charles, Frederick, Howard, Montgomery, Prince George's, Queen Anne's, Talbot, Wicomico, and Worcester counties, as well as Baltimore City. Programs target different populations, including high utilizers

of 9-1-1 and EDs, recent discharges or referrals from hospitals, and special patient populations (such as diabetics or individuals in need of opioid treatment).

Given the variation 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. Provision of MIH services and transportation of Medicaid recipients with low-acuity health conditions to urgent care centers rather than EDs likely results in savings due to offsets in ED utilization and hospital admissions that would reduce Medicaid expenditures under the bill. However, any such savings cannot be reliably estimated.

The bill also requires MDH, in coordination with MIEMSS, to study the adequacy of the rate of reimbursement for EMS services and report its findings and recommendations to the Governor and the General Assembly by November 1, 2024. Medicaid advises that this study can be completed using existing budgeted resources.

Maryland Institute for Emergency Medical Services Systems Report

MIEMSS must study the emergency and nonemergency interfacility transport system for Medicaid patients, as specified, and report its findings and recommendations to the Senate Finance Committee and the House Health and Government Operations Committee by December 31, 2022. MIEMSS advises that this study can be completed using existing budgeted resources.

Local Revenues: Local government EMS providers receive additional reimbursement for transport and medical services provided to Medicaid recipients, as well as MIH services for those 12 jurisdictions that operate MIH programs, beginning in fiscal 2023. Medicaid reimbursement for EMS services increases by *at least* \$8.4 million annually beginning in fiscal 2023 to reflect both the one-time mandated rate increase and reimbursement for treat and release services.

However, there is likely no net impact from the one-time mandated rate increase for emergency services transport calls for those providers that participate in ESPP. Under ESPP, if a JEMSOP reports that the actual cost of an emergency service transport was \$500, Medicaid currently reimburses for \$100. The remaining \$400 in costs are eligible for a 50% federal match. Thus, a JEMSOP may receive \$200 in federal funds (for total reimbursement of \$300). The remaining \$200 is covered by the local jurisdiction. Under the bill, initial Medicaid reimbursement for emergency services transports will increase to at least \$150, while the remaining amount eligible for federal matching funds will decrease. The source of reimbursement will shift, but net reimbursement is not anticipated to change.

As treat and release services are not eligible for reimbursement under ESPP, all local government EMS providers (including those that participate in ESPP) will receive additional reimbursement for treat and release services.

As noted above, additional revenue from reimbursement for MIH services cannot be reliably estimated and is, therefore, not reflected in this analysis.

Additional Information

Prior Introductions: Similar legislation, SB 389 of 2021, received a hearing in the Senate Finance Committee, but no further action was taken. Its cross file, HB 552, received a hearing in the House Health and Government Operations Committee, but no further action was taken. SB 777 of 2020, similar legislation, received a hearing in the Senate Finance Committee, but no further action was taken. Its cross file, HB 779, received a hearing in the House Health and Government Operations Committee, but no further action was taken.

Designated Cross File: SB 295 (Senator Gallion, *et al.*) - Finance.

Information Source(s): Anne Arundel, Baltimore, and Montgomery counties; City of Laurel; Maryland Department of Health; Maryland Institute for Emergency Medical Services Systems; Department of Legislative Services

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