



The Impact of Emerging Healthcare Economics on EMS

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April 19, 2016

Agenda

- About the West Health Institute
- Recent milestones in CMS payments and incentives that affect EMS
- Opportunities and challenges of emerging payment for EMS
- Summary, conclusions and next steps



About the West Health Institute

Our clear mission



Our focus is supporting and creating healthcare delivery models that enable seniors to successfully age on their own terms, preserving and protecting their dignity, quality of life and independence.

What issues affect delivery models for seniors?

- Every 8 seconds, a baby boomer turns 65 - roughly 10,000 Americans every single day
- 2/3 of older Americans have multiple chronic conditions
- More than 4 million older adults have at least six long-term ailments



CDC, Chronic Disease Overview
CDC, "State of Aging in America," 2013

The health system's response to growing population of seniors

- Episodic
- Hospital-based
- Acute care
- Cross-functionally isolated



- More continuous
- Home- and community-based
- Chronic disease management
- Coordinated
- Cross-functionally integrated

An imperative for payment and incentives affecting growing population of seniors: Volume to Value

- Direct:
 - Medicare in midst of active reform to incentivize the new models of care
- Indirect:
 - Provider payer mixes shift
 - Medicaid enrollment expanding with similar reforms
 - Commercial insurers following suit

EMS and health systems: 20 years of historically recognized potential – *now can be realized*

EMS Agenda for the Future: (circa 1996)

- Episodic emergencies
- Hospital-transport
- Acute care
- Transport only
- Cross-functionally isolated



“(EMS) of the future will be community-based health management that is fully integrated with the overall health care system...contribute to treatment of chronic conditions and community health...”

Specific milestones in emerging payment and incentives that affect EMS

Three payment reform milestones: Volume to Value

- March 2010: Patient Protection and Affordable Care Act (ACA)
- January 2015: HHS Secretary Burwell sets clear goals and timeline for volume to value
- April 2015: Medicare Access and CHIP Reauthorization Act (MACRA)

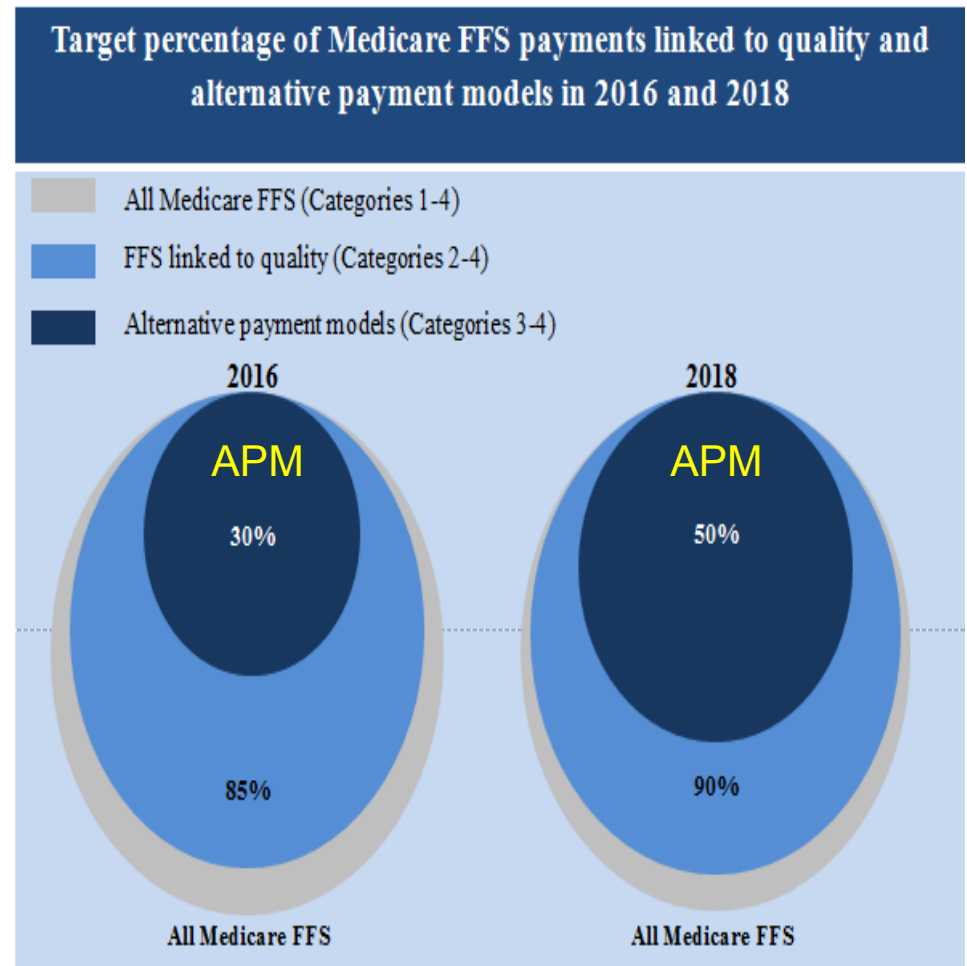
Patient Protection and Affordable Care Act (ACA) of 2010

- Established the Center for Medicare and Medicaid Innovation (CMMI)
- Hospital Value-Based Purchasing (VBP) and readmission penalties
- Alternate Payment Models (APM) Pilots
 - Medicare Shared Savings Program (MSSP)
 - Accountable Care Organizations (ACO)
 - Early steps in Bundled Payments (BPCI)
 - Early steps in Comprehensive Primary Care (CPC)

HHS sets clear goals and timelines for linking Medicare fee-for-service (FFS)



Jan. 26, 2015: *Better, Smarter, Healthier: In historic announcement, HHS sets clear goals and timeline for shifting Medicare reimbursements from volume to value*



Medicare Access and CHIP Reauthorization Act (MACRA), April 2015

Merit-Based Incentive Payments (MIPS)

- Achieves goals for payments tied to Quality
- +/- x %
- Budget neutral

Alternate Payment Models (APMs)

- More coordination: e.g. BPCI
- More balanced utilization—better matched to needs
- Shared savings



Opportunities and challenges of emerging payment models for EMS

Example opportunity for EMS to support better matched care and drive shared savings in APMs

- Hospitalization admissions and readmissions recognized as significant target for shared savings **across many** Medicare APMs
 - Hospital as **default** best match?: risk of nosocomial Infections, falls, delirium
 - Almost 70% admissions for seniors originate in the ED
 - Tangible/imminent cost savings from more options besides “default” admission
 - EMS allows more home-based options **from the ED**
 - Rapid response 24/7, Transport, O₂, formulary, communications links
 - In conjunction with home health, MD oversight
 - Establishes home-based infrastructure to support ongoing engagement
 - Non-ED based 24/7 response for further savings – downstream

Recognized EMS innovations in ED to Home

Geisinger Health System's community paramedicine program

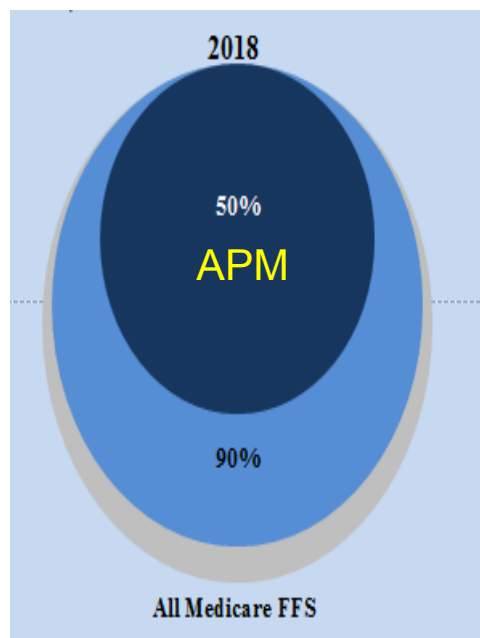


Mount Sinai's Mobile Acute Care Team (MACT)



EMS and health systems: 20 years of historically recognized potential – *now more broadly incentivized*, through Medicare APMs

EMS Agenda for the Future: 1996



*“(EMS) of the future will be community-based health management that is **fully integrated with the overall health care system**...contribute to treatment of chronic conditions and community health...”*

Challenges of Payment Reforms

- Business development (vs. business as usual):
 - Value propositions must be identified, solved and sold to payers and providers
 - Limited specific new codes
- Unity/diversity of health systems and EMS: “If you have seen one...”
- Public safety and public health roles may remain separated

Summary, conclusions and next steps

Summary and conclusions

- Payment reforms and aging demographic driving home- and community-based ***care better matched*** to seniors' needs
- EMS now has both a role ***and*** more reimbursement paths ***directly tied*** to the ***healthcare*** system
- EMS must demonstrate and provide ***tangible value*** to realize the opportunity in new reimbursement landscape

Next steps for EMS Transformations

- Support research collaborations in ED to Home transitions and other new EMS-based delivery models of care
- Develop value propositions and returns on investment
- Develop resources and outreach to facilitate adoption:
 - Mentorship by exemplars
 - Learning collaboratives
 - How-to-guides

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Thank You!