The Case for Medicare Reimbursement for EMS Treat in Place (TIP)

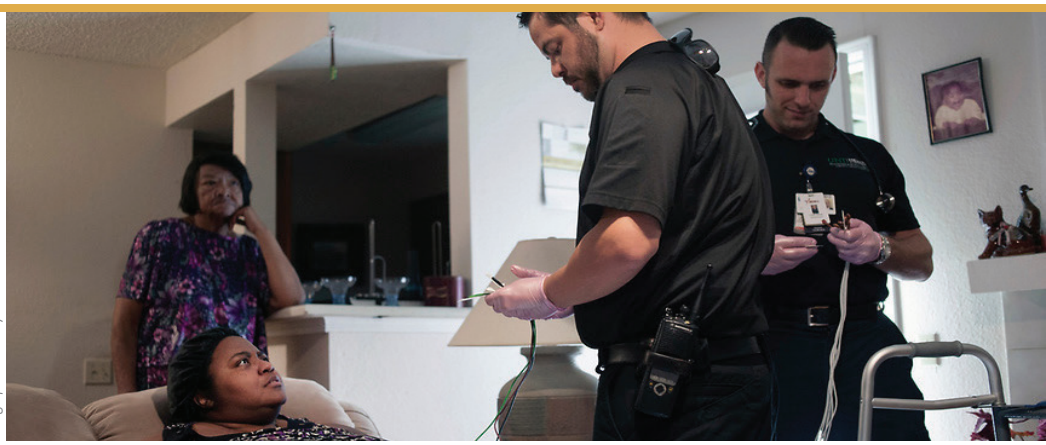


Image provided by Brandon Thibodeaux

Payors have begun to realize that the health care system is improved when EMS agencies are paid for the care that they provide without transportation to the emergency department. Many commercial health insurance plans and State Medicaid programs now pay EMS agencies for TIP. By recognizing EMS as a mobile health care service, not just transportation, Medicare can join these payers in lowering health care costs, improving EMS agency sustainability, and providing more person-centered choices for patients. TIP could annually save Medicare hundreds of millions of dollars.

The final evaluation of the Centers for Medicare and Medicaid Services (CMS) ET3 model indicated that TIP interventions reduced Medicare Part A and B spending by 15 to 50%, measured as the expected spending on a low acuity emergency department visit averted, less the total spending on the TIP encounter, telehealth payment, and any subsequent emergency department visit. The evaluation also indicated TIP did not increase emergency department visits within one day of the TIP encounter. Further, an external analysis by Booz Allen for CMS identified an average Net Savings to Medicare of $537.51 for each patient encounter.

Ambulance services also conducted on-scene treatment without transport to a hospital under a COVID-19 pandemic authorized waiver. The Congressional Budget Office (CBO) reported that CMS saved more than $18 million under this waiver, after paying the ambulance agencies to achieve a 193% cost to savings ratio.

The national average Medicare fee schedule for a basic life support emergency ambulance service is $447.56[1], and of this allowed amount, Medicare pays 80%. Based on this data, the average Medicare expenditure per ambulance treatment without transport claim is estimated at $358.05. CMS paid ambulance services $20 million under this waiver. Using the per call payment estimate, the number of ambulance treatment without transport claims that the $20 million expenditure represents is ~55,858 ambulance claims ($20 million ÷ $358.05). **In simple terms, there were 55,858 Medicare beneficiaries who were not seen by a hospital emergency department (ED) and instead were cared for by ambulance agency personnel.**

The most recent Healthcare Cost and Utilization Project (HCUP) report from the Agency for Healthcare Research and Quality (AHRQ) reveals the average expenditure for ED visit for patients aged 65 or older is $690[2]. Using this data, the estimated savings to Medicare derived from the 55,858 Medicare beneficiaries who were NOT seen in an ED was $38,542,020 (55,858 beneficiaries × $690/ED visit). A 193% cost to savings ratio.

The National Association of State EMS Officials (NASEMSO) identified 42 million EMS responses in 2018[3]. Medicare beneficiaries typically represent 40% of patients treated by emergency medical services (EMS), or 16,800,000 patients. A study of Medicare beneficiaries transported by ambulance to the ED published in Health Affairs in 2013[4] found that an estimated 12.9 –16.2 % of Medicare covered 911 EMS transports involved conditions that were probably nonemergent, or primary care treatable. A review of literature by Usher-Pines et all in 2013 indicated that 30 to 40 percent of ED visits could be safely treated in a low acuity setting.[5]

Applying the 12.9% – 30%% of the 16.8 million EMS responses for Medicare beneficiaries as potentially eligible for treatment in place without transport would prevent between 2.17 and 5.04 million ED visits by Medicare beneficiaries. **This represents hundreds of millions in potential annual savings to Medicare.**

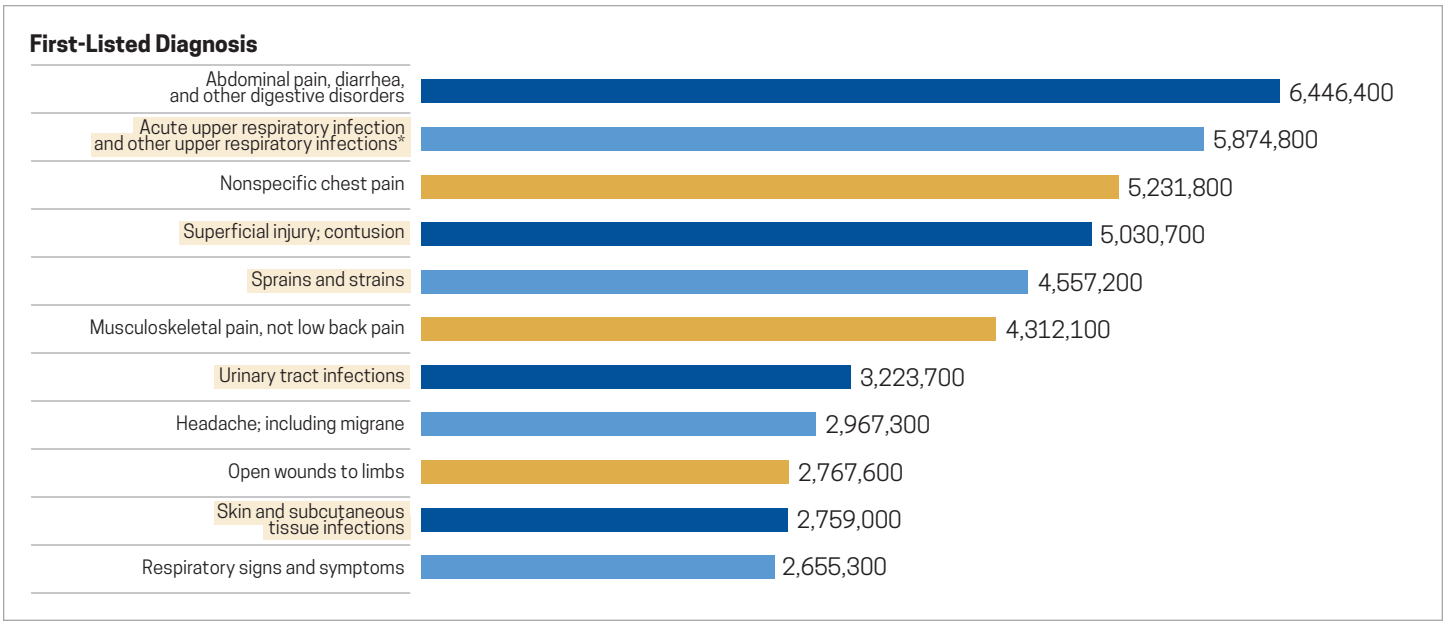
1. *https://www.cms.gov/medicare/payment/fee-schedules/ambulance*
2. *https://hcup-us.ahrq.gov/reports/statbriefs/sb268-ED-Costs-2017.pdf*
3. *https://nasemso.org/wp-content/uploads/2020-National-EMS-Assessment_Reduced-File-Size.pdf*
4. *https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2013.0741*
5. *https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2013.0741*

The final CMS analysis of the ET3 demonstration model indicated that TIP interventions reduced Medicare spending by 15 to 50% which can result in hundreds of millions in annual savings and eliminate millions of unnecessary ED visits.

Benefits of Medicare TIP Innovation

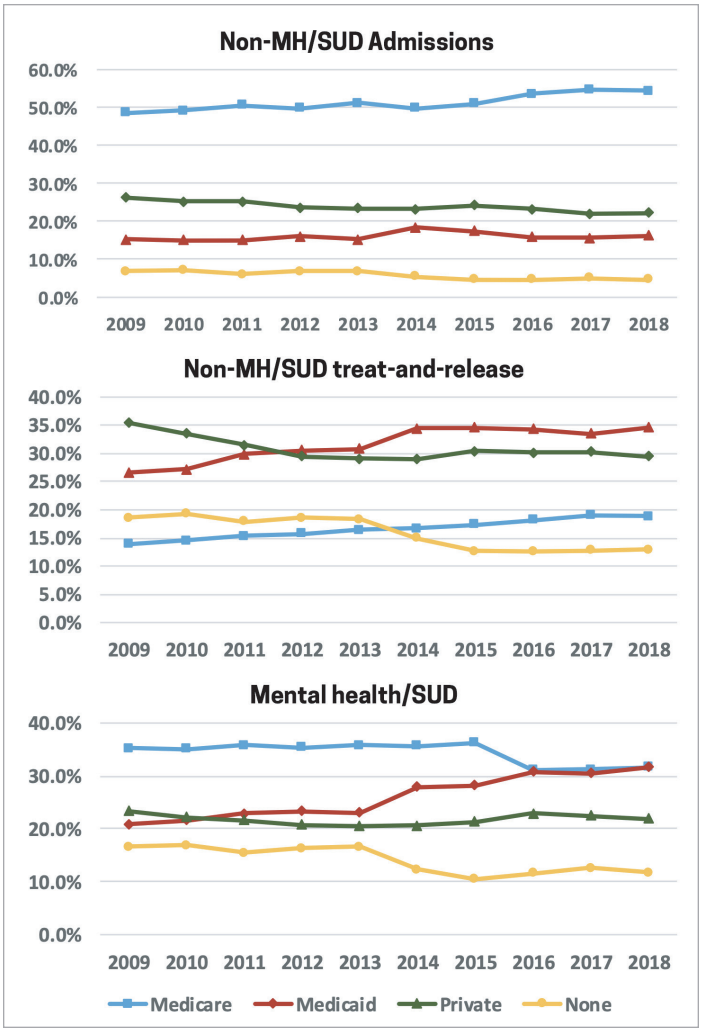
- Reduces Medicare expenditures
- Aligns with value-based health care principals
- Supports the fiscal sustainability of EMS agencies currently providing unreimbursed care
- Aligns EMS payment practices with the cost of modern care delivery
- Avoids unnecessary ambulance transports and reduces emergency department overcrowding and wait times
- Opportunity to keep Medicare beneficiaries' home
- Encourages preventive interventions, care coordination, and integration of EMS with the broader health care system
- Supports rural and frontier EMS where ambulances often travel long distances to
- Improves EMS system availability and readiness for true emergencies

Figure 1: Top 20 first-listed diagnoses with the highest number of treat-and-release ED visits, 2018



Note: The highlighted diagnoses represent conditions that may have a high likelihood of being able to be referred to resources other than an ED.

Figure 2: Percent of ED visits by type and expected payer, United States, 2009-2018



Source: Agency for Healthcare Research and Quality (AHRQ), Healthcare Cost and Utilization Project (HCUP), Nationwide Emergency Department Sample (NEDS), 2019-2018. Primary payer is shown here categorized as Medicare, Medicaid, private insurance, and none (self-pay or no charge). Very small numbers of other are not shown. The mental health/SUD categorization relies on ICD-9-CM codes from 2008 until the third quarter of 2015 and ICD-10-CM codes from 2016 to 2018. There are known discontinuities between these two coding systems that include a transition period as the new codes were adopted. For this reason, care should be taken in interpreting changes before and after the ICD transition.

https://aspe.hhs.gov/sites/default/files/private/pdf/265086/ED-report-to-Congress.pdf