

EMS:

Critical Care. Critical Issues.



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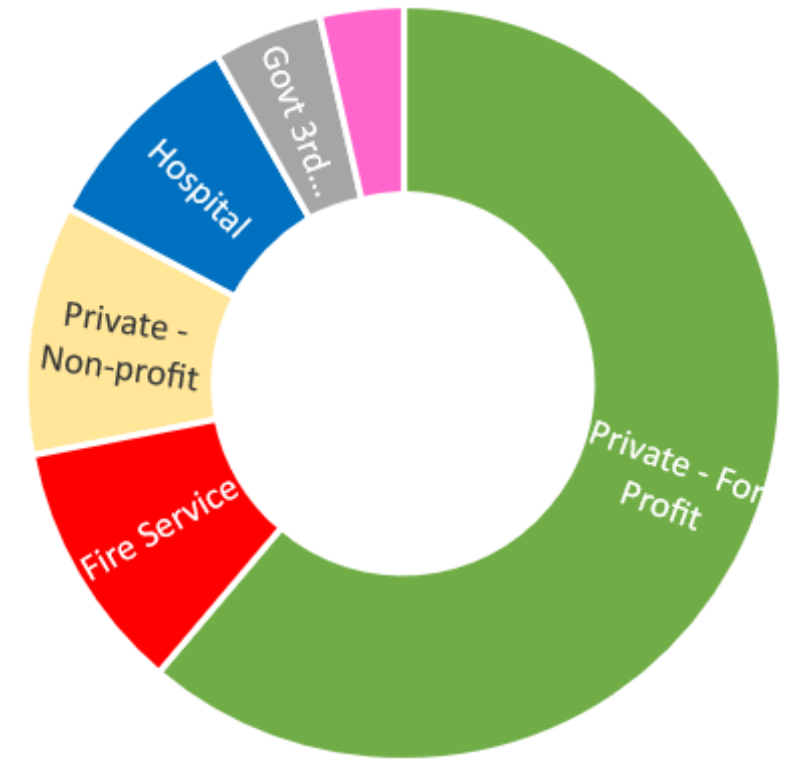
STATE OF THE INDUSTRY

- Today, 73 of 75 counties (97%) have Advanced Life Support (ALS) as the basis for EMS response within their jurisdiction.
- Ambulance services are essential, safety net providers
- The vast majority of ambulance services are funded by fee-for-service





- 40 years of leadership, system development & advocacy.
- Representing 65% of licensed ambulance services.
- Recognized by industry peers as innovators and champions for rural health care providers.



PROVIDER TYPE

Private - For Profit	120	61%
Private - Non-profit	21	11%
Hospital	18	9%
Fire Service	21	11%
Govt 3rd Service	9	5%
Volunteer	7	3%



ARRA: INNOVATION & SOLUTIONS

- Provider & stakeholder education
- Municipal Ambulance Licensing Act - market stabilization / franchising (1989)
- Ambulance providers voluntarily increased licensing & permit fees to fund higher Medicaid reimbursement rates (1993)
- Strong advocate on the national stage for rural ambulance service payment extenders (2001)
- Upper Payment Limit (UPL) program (2017)



EMS FUNDING: PROGRESS & PITFALLS

- The vast majority of ambulance services are fee-for-service providers.
- Other sources of funding include:
 - * Ambulance general fund subsidies
 - * Assessment fees and local taxes
 - * Ambulance districts
 - * Foundation funding

 - * Arkansas Trauma System EMS Subgrants
 - * Arkansas Citizens First Responder Safety Enhancement Act Grants



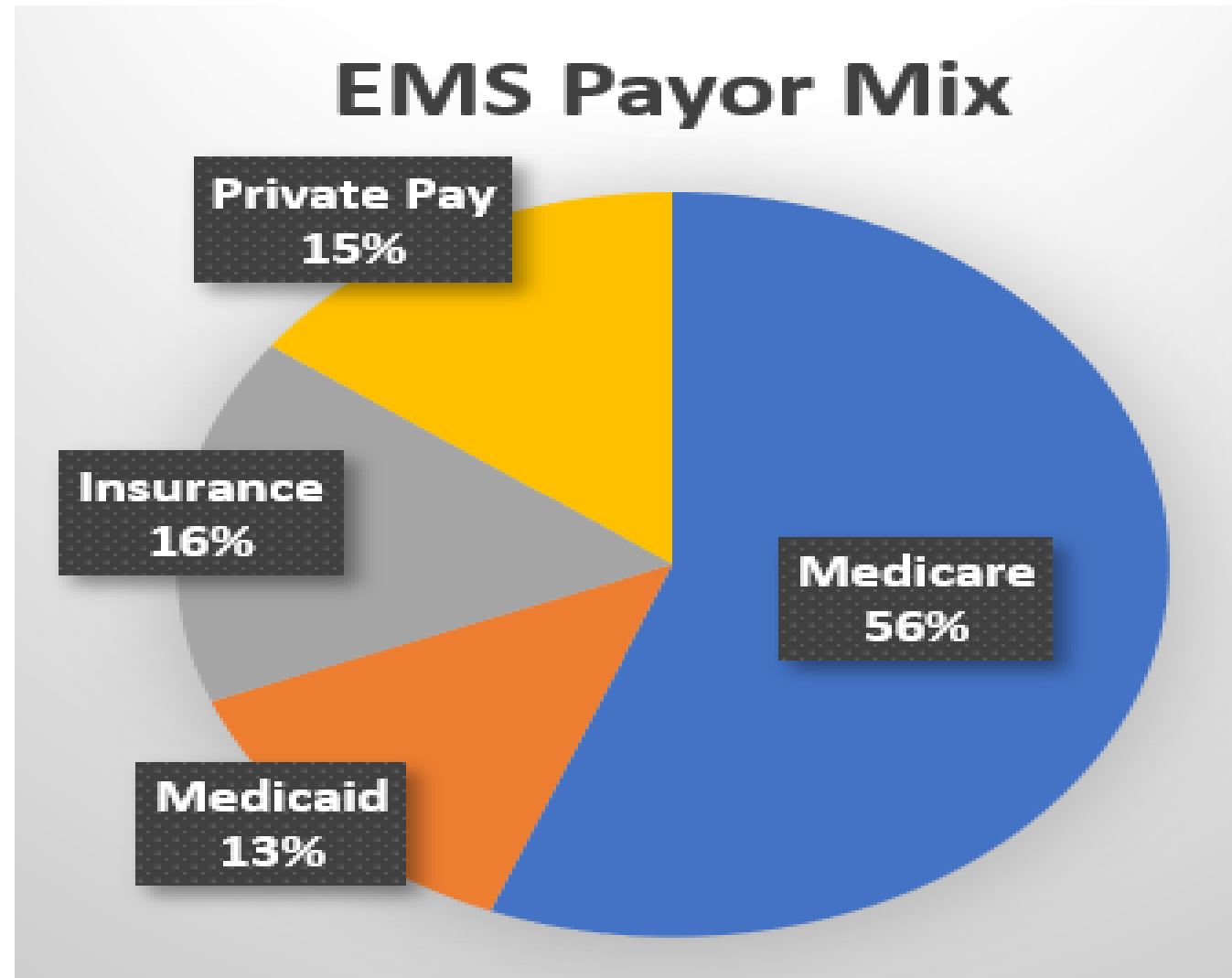
FEE-FOR-SERVICE

Commercial payers are adopting similar managed care policies that fail to reimburse above the cost of providing the service.

National survey data shows that on average, Medicare reimburses as much as **16% below cost**.

Arkansas Medicaid rates are **57% to 215%** below surrounding states of similar demographics.

69% capitated revenue

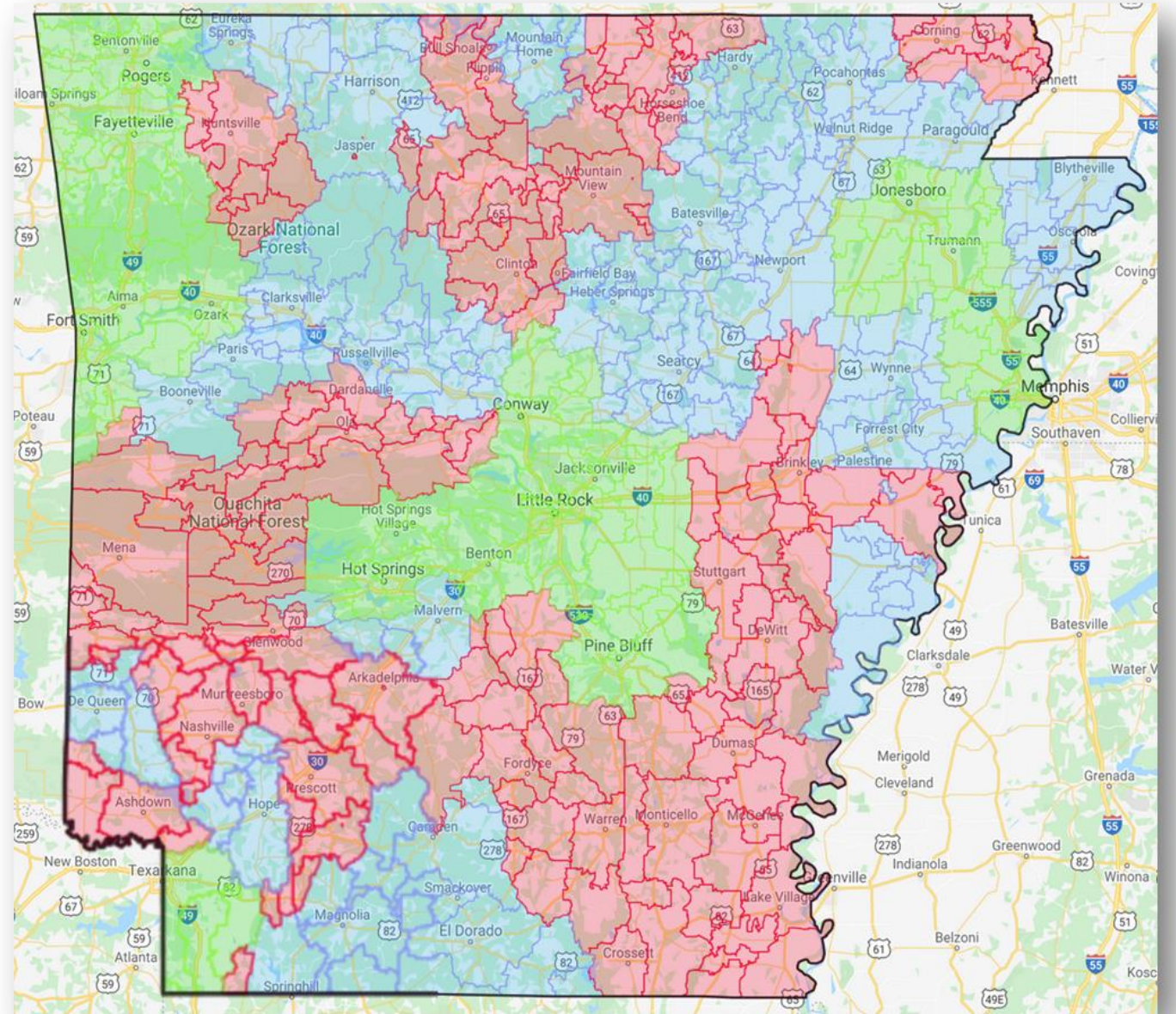


NATIONAL AMBULANCE FEE SCHEDULE

Recognizes the added cost of readiness and access to care for rural and super rural communities.

Adjusted by a national index known as the GPCI.

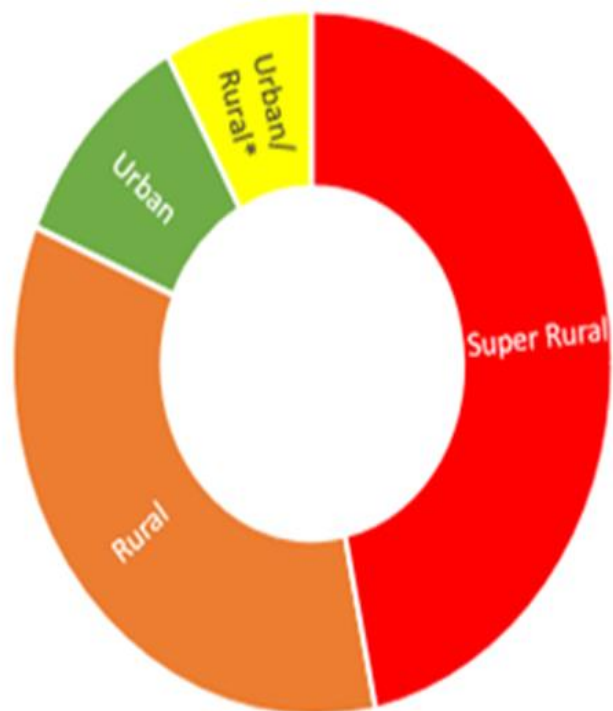
Allows for annual adjustments based on Consumer Price Index (CPI)



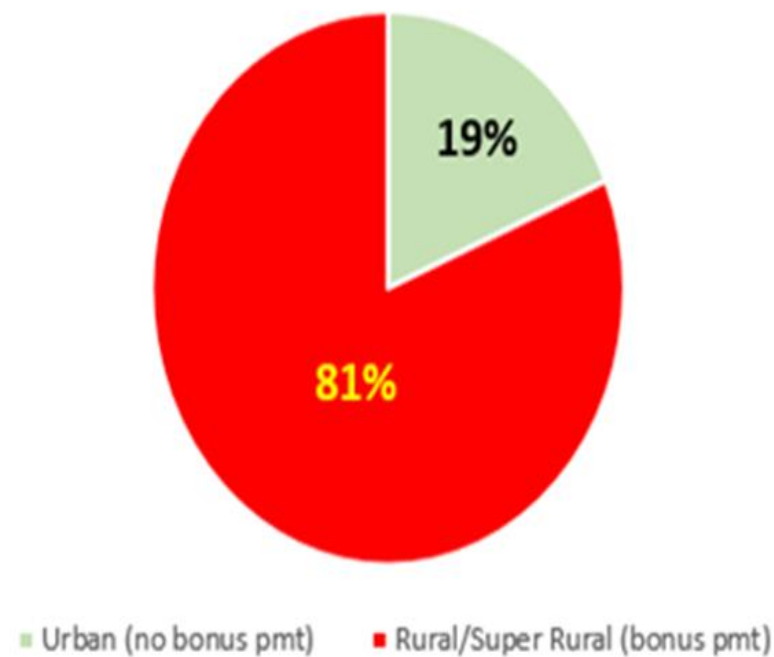
* URBAN *RURAL *SUPER RURAL



Counties by CMS Classification



Percent of Areas Receiving Bonus Payments

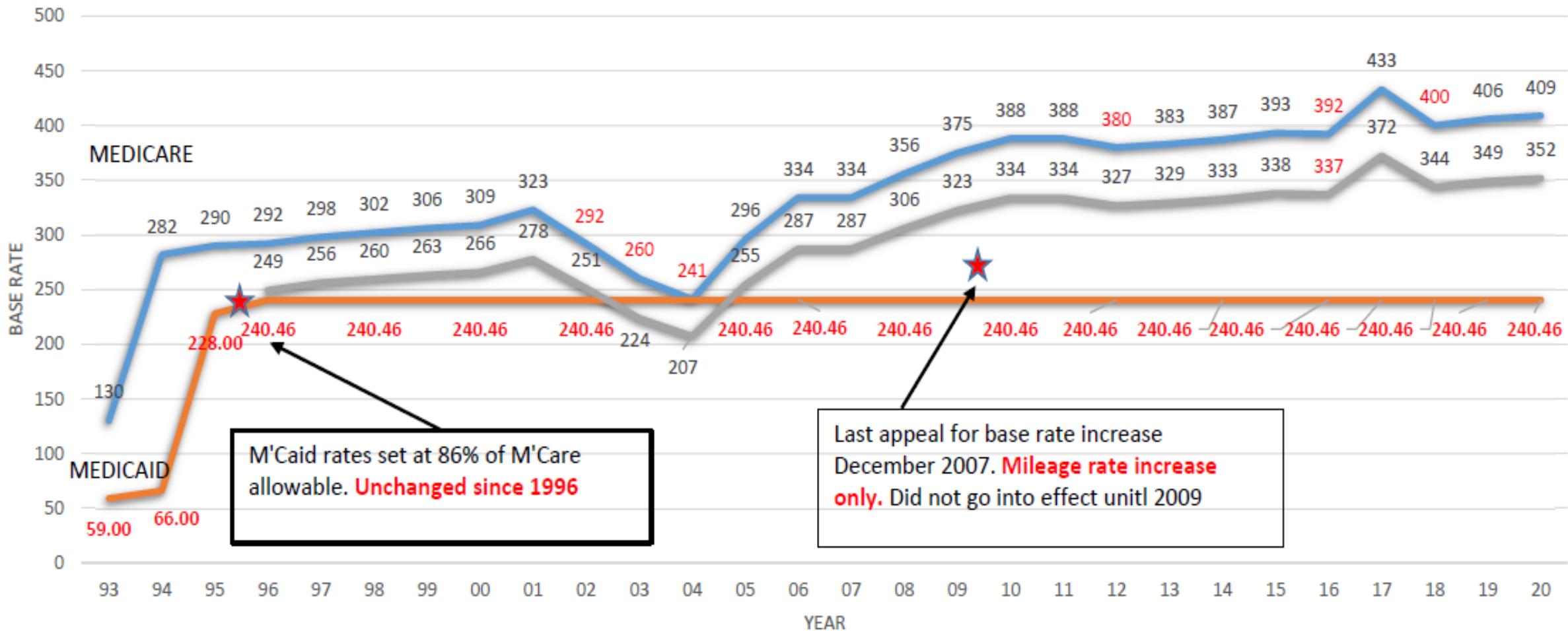


Class	Count	%
Urban	8	11%
Urban/Rural*	6	8%
Rural	26	35%
Super Rural	35	47%

81% Rural/Super Rural

*majority urban with small percentage classified as rural

AMBULANCE BASE RATE 27 YEAR SNAPSHOT ALS EMERGENCY ALLOWABLE

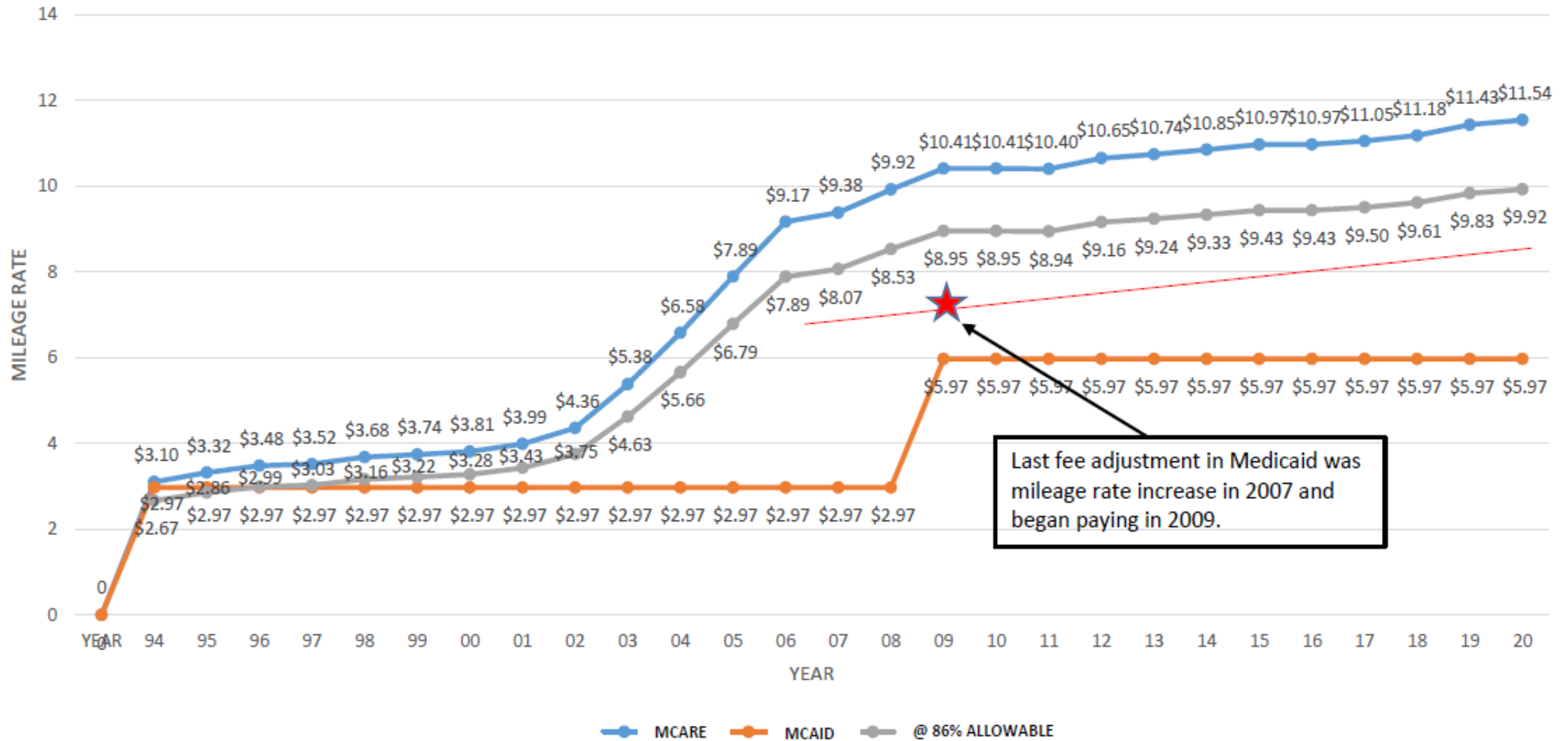


M'Caid rates set at 86% of M'Care allowable. **Unchanged since 1996**

Last appeal for base rate increase December 2007. **Mileage rate increase only.** Did not go into effect until 2009

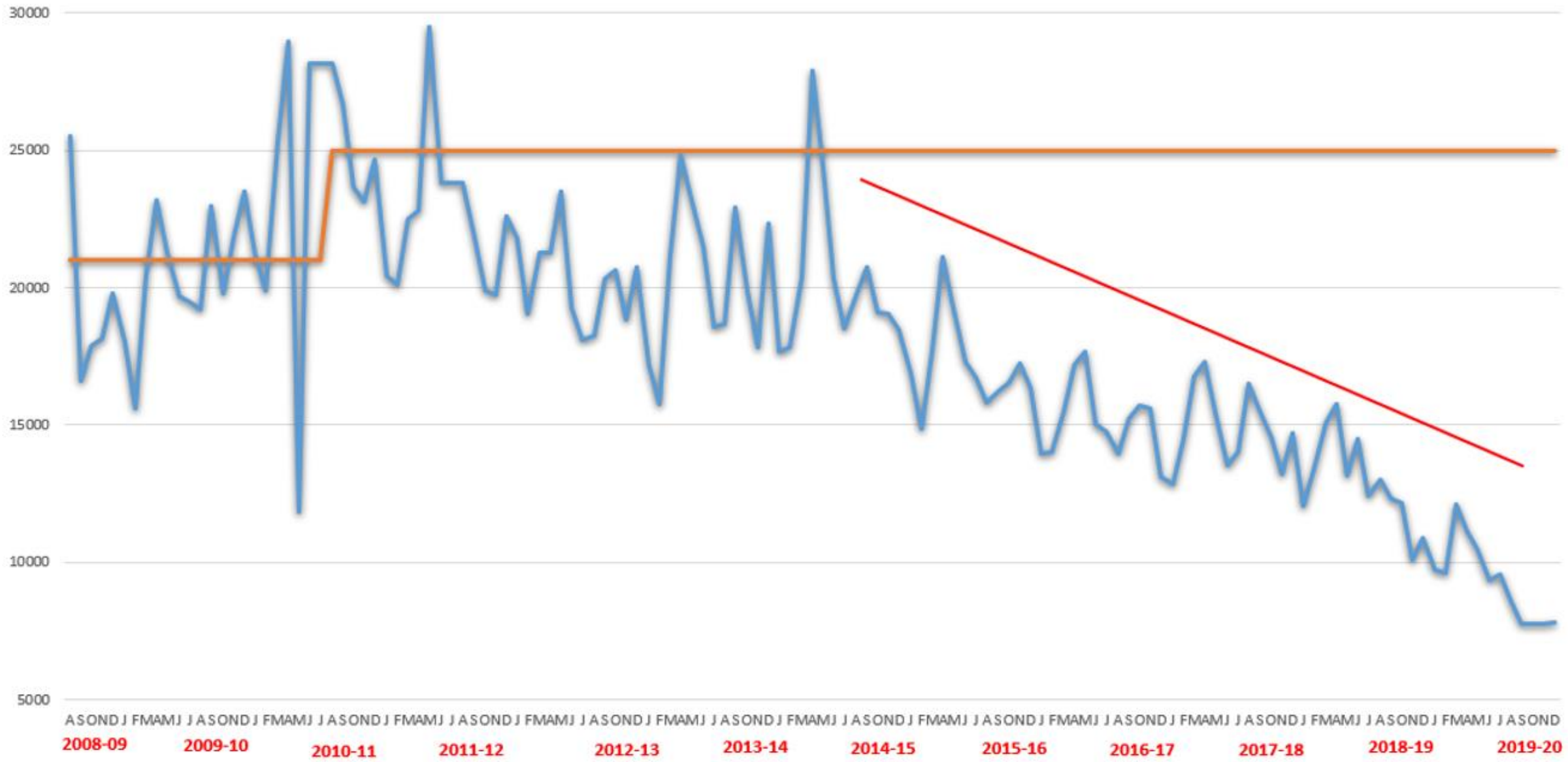
MCARE MCAID @ 86% ALLOWABLE

AMBULANCE MILEAGE RATE 27 YEAR ANALYSIS



Last fee adjustment in Medicaid was mileage rate increase in 2007 and began paying in 2009.

**ARKANSAS CITIZEN'S FIRST RESPONDER SAFETY ENHANCEMENT ACT
2008 - 2019 FUNDING - ARAA ALLOCATIONS & RECEIPTS**



RISING COSTS

	2000	2009	2019	+/-
EKG Cardiac Monitor	\$ 13,500	\$ 17,400	\$ 32,100	138%
Patient Stretcher	\$ 4,395	\$ 8,800	\$ 15,262	247%
Type II (van ambulance)	\$ 47,000	\$ 76,000	\$ 98,000	100%
Type III (modular)	\$ 56,000	\$ 96,500	\$ 145,000	158%
Ambulance Remount	\$ 45,000	\$ 65,000	\$ 85,000	88%

Equipment upgrades are no longer options, they are mandatory.

Unit replacements (remounts) of older ambulances must meet new safety standards. Some cannot be remounted.



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Medications	800%			
Airway equipment	600%			
IV supplies	450%			
EMT Wages	\$ 24,000	\$ 28,600	\$ 36,800	54%
Paramedic Wages	\$ 34,500	\$ 38,400	\$ 48,900	41%

ARKANSAS MINIMUM WAGE INCREASE

- Year 1 Average 8% increase in wages to bring entry-level positions up to new rate
 - Year 2 Additional 28% increase in wages if applied only to entry-level (EMT positions)
 - Year 3 Entry-level EMT pay will be on par with Paramedic pay. Potential impact 22% increase
- Over the 3-year phase in period, wage expenditures increase by 58%

COST OF BENEFITS ... 2000—2009 Average increase of 51%



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Airway equipment	600%
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RISING COSTS

Year 1 ... Average 8% increase for entry-level positions

Year 2 ... Additional 28% if applied only to entry-level

Year 3 ... Entry-level pay will be on par with paramedic level pay adding an additional 22%

Over the 3-year phase in period, ambulance providers will see an estimated 58% wage expenditure increase.

CRITICAL



CRISIS



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INNOVATIVE SOLUTIONS

- Voluntary increase in ambulance license and permit fees. (1993)
- Ambulance Upper Payment Limit (UPL) program (2017)



UPL LEGISLATION

AR Code § 20-77-2802 (2017)

- Ambulance providers agreed to voluntary assessments to help draw down federal matching funds
- Commonly used by hospitals and nursing facilities to offset uncompensated care and below cost expenditures
- 43 of 50 states have programs for hospitals and nursing facilities
- 17 states have ambulance UPL programs and others are “in process”



UPPER PAYMENT LIMIT PROGRAMS



17 States have established UPL programs to date.

Hospital Tax.....	17	100%
ICF Tax.....	15	76%
Nursing Facility Tax...	17	100%

PROGRAM PARTICIPATION

- PUBLIC & PRIVATE
- PUBLIC – PRIV PENDING
- PUBLIC ONLY

MEDICAID RATE REBASING

- **Demonstration of inequities in Arkansas Medicaid rates as compared to the national ambulance fee schedule**
- **Market level adjustments necessary to preserve access to care while preserving EMS readiness**
- **July 2019 – ArAA and DHS met to review data and rates**



As presented but corrected.
 Incorrect Rates, error in their formula

	AR	Medicare Average
Procedure	Average	Rate (AR
Code	Rate	Region)

A0382	11.42		
A0398	11.42		
A0422	20.57		
A0425	5.97	7.52	-26.00%
A0426	240.46	248.27	-3.20%
A0427	240.46	348.39	-144.90%
A0428	183.86	219.67	-19.50%
A0429	127.25	305.48	-240.10%
A0431	2462.25	4038.36	-164.00%
A0434	75	541.48	-722.00%
A0436	17.43	27.56	-58.10%
A0999	8.65		

-172%

DHS Proposed Chart with corrected
 Medicare Fee Schedule Amounts



	AR	Medicare Average
Procedure	Average	Rate (AR
Code	Rate	Region)

A0382	11.42		
A0398	11.42		
A0422	20.57		
A0425	5.97	7.55	-26.50%
A0426	240.46	256.2	-6.50%
A0427	240.46	405.64	-168.70%
A0428	183.86	213.5	-16.10%
A0429	127.25	341.59	-268.40%
A0431	2462.25	5092.69	-206.80%
A0434	75	693.86	-825.10%
A0436	17.43	35.43	-203.30%
A0999	8.65		

-215%

<u>Procedure Code</u>	<u>Proposed 86% M'Care Allowable</u>	<u>Rate Change</u>	<u>% Increase</u>	<u>Current Rank</u>	<u>Arkansas</u>	<u>Louisiana</u>	<u>Mississippi (w 5% Reduction)</u>	<u>Oklahoma</u>	<u>Texas</u>	
MILEAGE - GROUND	A0425	\$ 6.55	\$ 0.58	9.72%	2nd	\$5.97	\$6.64	\$4.90	\$5.88	\$4.71
MILEAGE -GROUND	A0425 - NE				N/A		\$6.34			
ALS- NON-EMERGENCY LEVEL 1	A0426	\$ 272.77	\$ 32.31	13.44%	1st	\$240.46	\$165.96		\$214.15	\$186.00
ALS-1 EMERGENCY	A0427	\$ 352.27	\$ 113.31	46.50%	5th	\$240.46	\$319.89	\$263.28	\$339.07	\$285.28
BLS NON-EMERGENCY	A0428	\$ 185.41	\$ 1.55	0.84%	2nd	\$183.86	\$165.96	\$138.57	\$178.46	\$186.00
BLS EMERGENCY	A0429	\$ 296.65	\$ 169.40	133.12%	5th	\$127.25	\$167.24	\$221.71	\$285.54	\$240.23
ALS-2 EMERGENCY	A0433	\$ 509.95			Add Coverage		\$319.89		\$490.75	\$412.90
SPECIALITY CARE TRANSPORT	A0434	\$ 602.57			Add Coverage		\$319.89		\$579.98	\$487.97

In 1994, it was verbally agreed to that Medicaid rates would be based on 86% of the Medicare allowable. Unfortunately, nothing was codified and, over time, our rates have been held flat with no increases in base fees or recognition of expanded levels of care as the EMS systems have changed. If we were to implement such a standard today, this is where Arkansas should be as compared to the 2019 Medicare allowables*

*Rural base adjusted fees

Where 3 of 5 states recognize rates for high level emergencies, we are suppressed to lower level reimbursemen
 These rates have been flipped for years; paying more for Non-emergency than emergency
 25 years of stagnation have left our two emergency levels of service lagging; Ranked 5th amongst surrounding state

Non-emergencies are paid at rates higher than emergencies.

Technical edits create delayed payments, denied claims and a dual-rule system that makes claims management more difficult.



WHAT EMS MEANS TO ARKANSAS

- ALS is a big deal across Arkansas
- EMS is an essential public safety net provider
- Arkansas' systems of care are hallmarks of success
 - Trauma, heart attack, stroke & all time sensitive diseases
- Cost of readiness is a tremendous cost
- We are unique.
- We are special.
- We cannot opt out of responding.
- We provide all services without regarding ability to pay.



HERE'S HOW YOU CAN HELP

- We have moved from CRITICAL to **CRISIS**.
- There are few things today that cost you nothing.
 - Ensure UPL legislation is implemented as passed
 - Include non-emergency transports in the UPL
 - Direct DHS to implement key program manual changes
 - Open dormant Medicaid payment codes allowing EMS providers to maximize UPL supplemental payments
- Medicaid rate rebasing
 - Include a rural modifier for counties of population of <15K

