



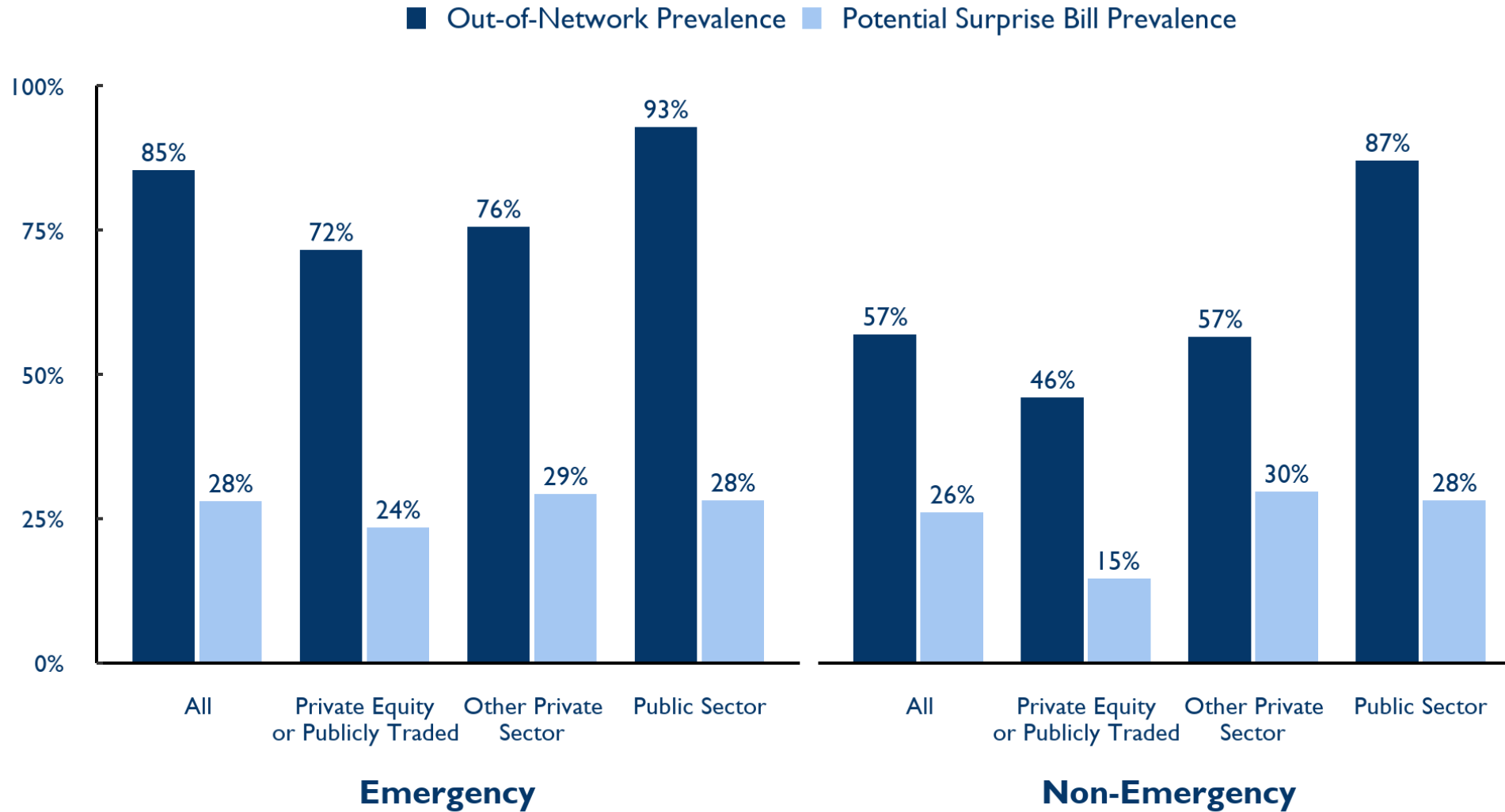
Ground Ambulance & Patient Billing Advisory Committee

Policy Options to Prevent Balance Billing

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Out-of-Network and Potential Surprise Bill Prevalence by Ownership, 2014-2017



Market Failure

- Typical price-volume trade-off doesn't apply
- Patients can get stuck in the middle / used as leverage
- Transparency/disclosures can't solve this

Need for a Federal Solution

- Some localities operate emergency ambulance services & don't bill residents
- Many localities (and a few states) regulate ambulance billing
- Some states prohibit surprise billing, but only applies to fully-insured plans

Potential Solutions

Two Approaches:

- 1) Enroll all Americans in a new federal benefit for emergency ground ambulance transports
- 2) Extend No Surprises Act protections (or similar)

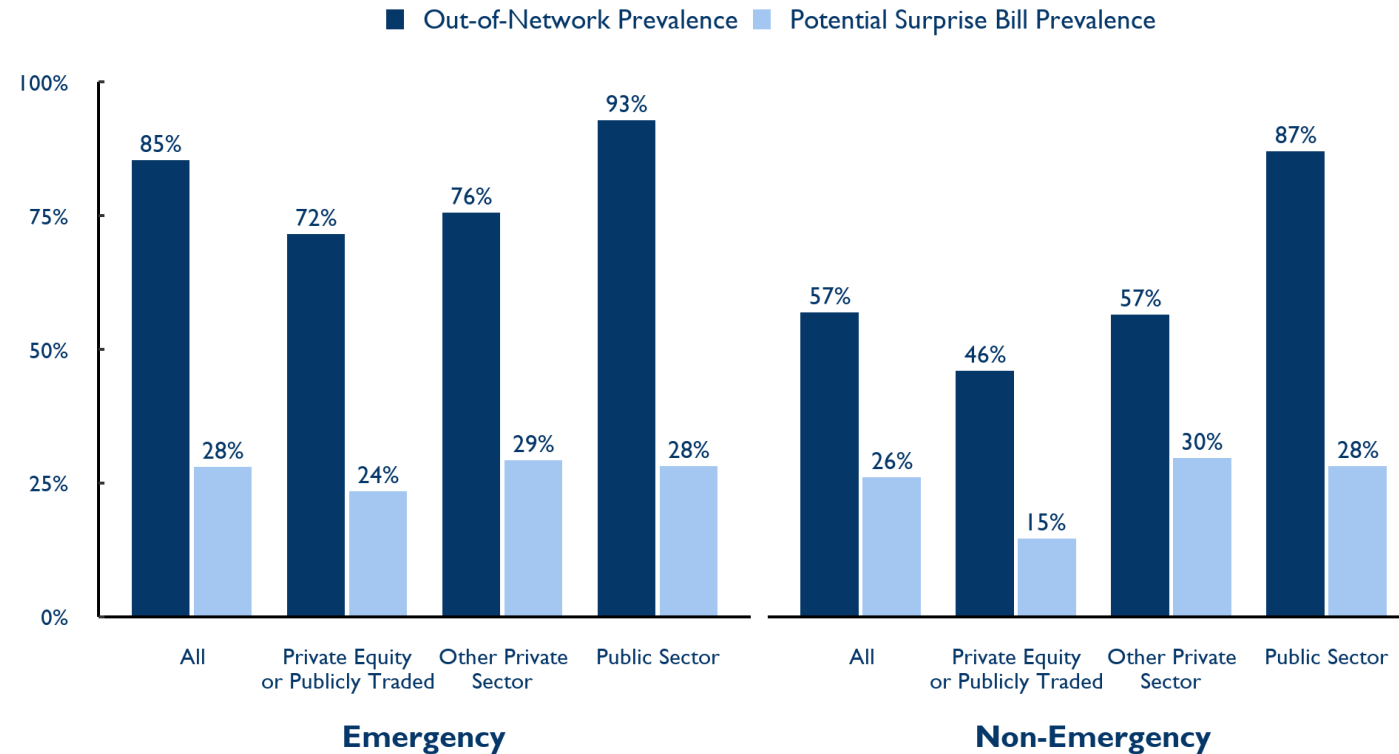
NSA for Ground Ambulances?

To change or stay the same?

- Should protections extend to nonemergency transports?
- Minimum payment requirement vs. arbitration
- What payment metric(s) should be relied upon?
- How will localities and rural ambulances be affected?

Include Nonemergency Transports?

Out-of-Network and Potential Surprise Bill Prevalence by Ownership, 2014-2017



Note: In order to be classified as having a potential surprise bill, a claim must both be out-of-network and have the insurer's allowed amount less than the ambulance organization's charge.

Source: Authors' analysis of 2014-17 HCCL data.

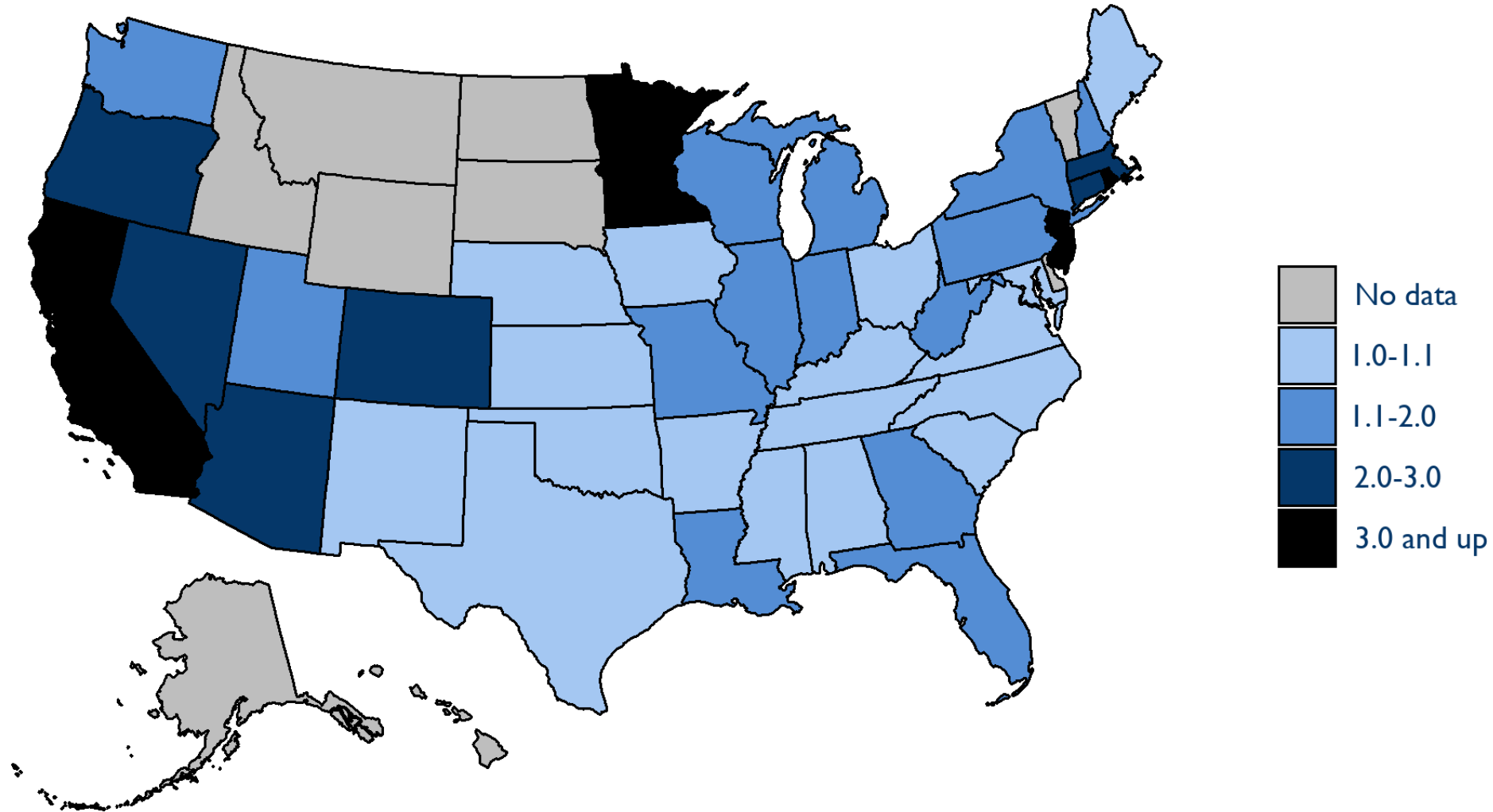
Payment Requirement vs. Arbitration

- Administrative costs vs. flexibility
- Ability for states & localities to “plus-up” payments
- What payment metric(s) are being used?

Choice of Payment Metric(s)

- Hard to rely on in-network prices
- What about combining in- and out-of-network payments? Still creates inequities:
 - Harms localities that made services more affordable
 - Rewards ground ambulance organizations or localities that used aggressive billing practices to secure higher payment rates
 - Rewards insurers that historically set low out-of-network payment

State Median Ratio of Allowed Amount for Average Distance Transport to Medicare Price, Emergency ALS Level I Transport, 2016-17



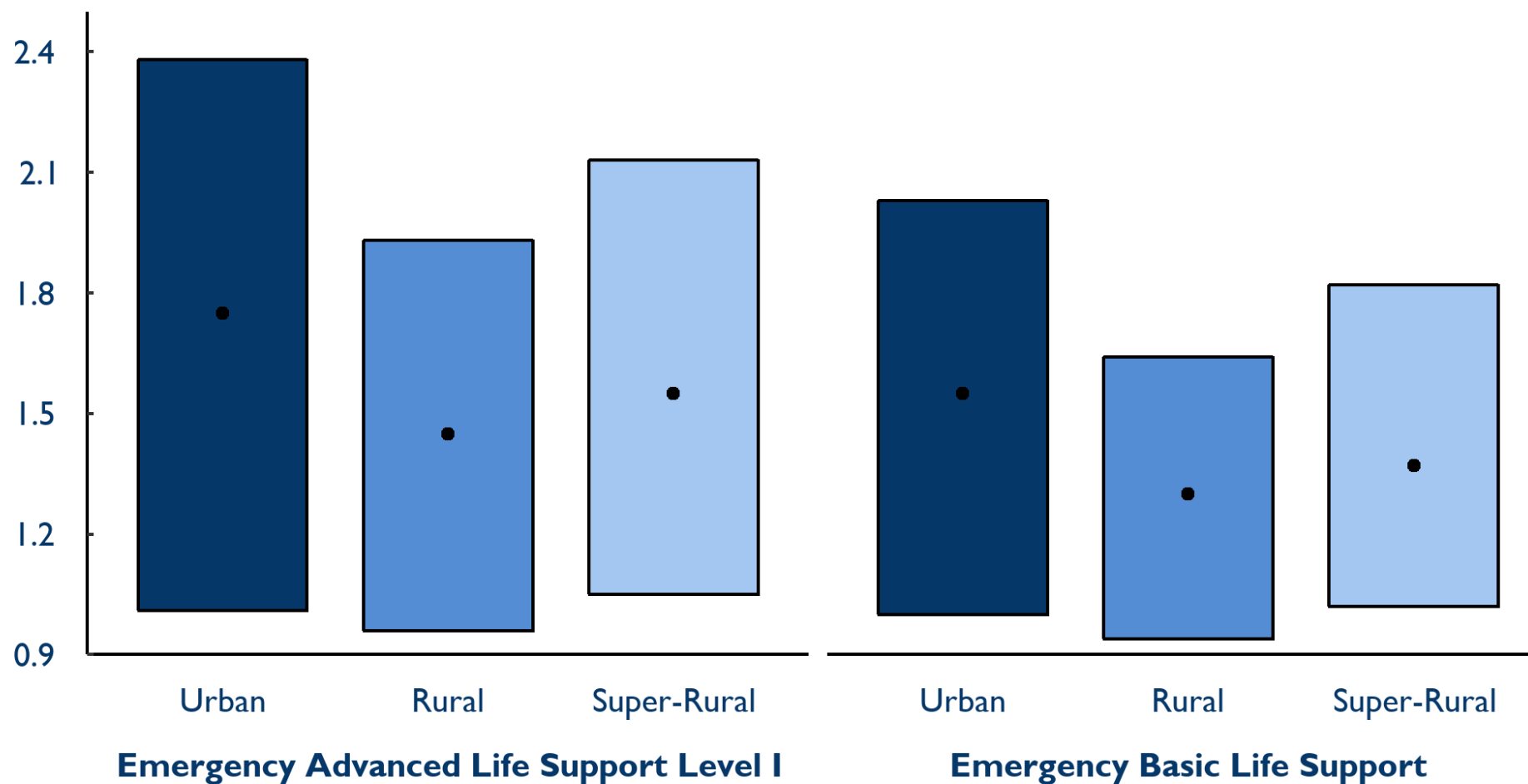
A Better Payment Metric?

Uniform multiple of Medicare's rates nationally

- **Transparency.** Medicare fee schedule publicly-available.
- **Equity.** Vary by geographic region based on local costs. Higher rates for rural transports. Avoids inequities of relying on local market prices.

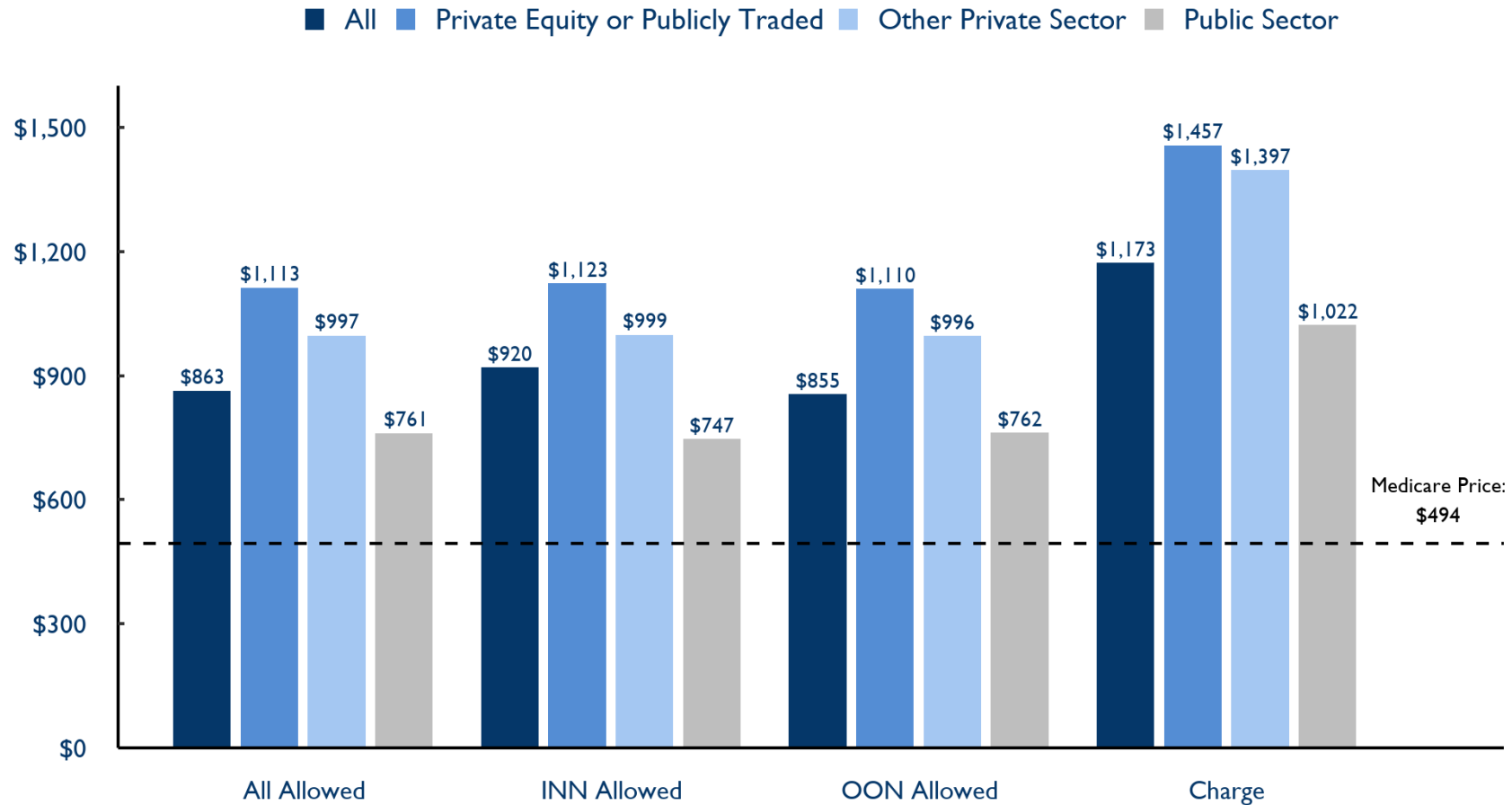
Potential Rural Benefits

**Ratio of All Network Standardized Allowed Amounts to Medicare
by Point-of-Pickup and Emergency Transport Type, 2016-2017**



Potential Local Government Benefits

Mean Standardized Allowed Amounts and Charges by Ownership, Emergency Advanced Life Support Level I (CPT Code A0427), 2016-17



Flexibility

States/localities retain ability to:

- Further subsidize ground ambulance services and require higher payments from fully-insured plans
- Set lower prices to reduce premiums and cost-sharing
- Prohibit direct billing of residents

Federal lawmakers could:

- Limit cost-sharing to fixed \$ amount or % of Medicare rate