

(b) If an emergency medical services agency is dispatched by a public safety answering point, as defined in 35 Pa.C.S. § 5302 (relating to definitions) and provides medically necessary emergency care, including advanced life support services under 35 Pa.C.S. Ch. 81 (relating to emergency medical services system), to an enrollee and the enrollee does not require transport or refuses to be transported, the managed care plan shall pay all reasonable necessary costs associated with medically necessary ~~the emergency~~ services provided during the period of the emergency.

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Public Testimony
**House Veterans Affairs and Emergency
Preparedness Committee**
House Bill 1013, Printer's No. 1172

April 20, 2017

Introduction

Independence Blue Cross (Independence) thanks Chairman Barrar, Chairman Sainato and members and staff of the House Veterans Affairs and Emergency Preparedness Committee for the opportunity to participate in today's discussion about House Bill 1013. Sponsored by Chairman Barrar, House Bill 1013 would require health insurers to reimburse emergency medical service (EMS) agencies in instances when emergency care is rendered to a member and the member does not require, or refuses, subsequent emergency transport to a facility.

Independence has been operating for nearly 80 years in the 5-county southeastern Pennsylvania region where we provide insurance coverage to 2.3 million Blue-branded customers with the mission of enhancing the health and well-being of the people and communities we serve. Through our testimony we hope to provide information that will be useful to the Committee as you consider this legislation, including some potential issues not currently addressed by House Bill 1013.

Current Policy at Independence

Independence continually reviews our policies related to health insurance coverage and reimbursement to ensure that our members have access to the care they need and that our participating providers and hospital systems are appropriately compensated for the services they deliver. We evaluate coverage and reimbursement policies to ensure a balance between the need to offer a diverse product line and affordable premiums for our members.

Independence believes the transportation of our members from the scene of an emergency to the hospital is an integral service delivered by EMS providers. Independence currently provides reimbursement in instances where an EMS agency is dispatched, responds and then transports the member to a hospital. If cases where an EMS agency is dispatched but no transport occurs, we do not currently reimburse the EMS provider, cases commonly referred to as "treat/no transport." It is worth noting that historically neither Medicare nor Medicaid have reimbursed in cases of treat/no transport. Many commercial and Medicare Advantage carriers have followed suit and also do not reimburse if no transport occurs.

The Larger Issues

The goal of House Bill 1013 may be well intentioned – to reimburse providers administering onsite care to individuals and avoiding unnecessary ambulance transport and costly emergency room visits. However, in southeastern Pennsylvania at least – there are two overshadowing issues:

1. Majority of EMS providers choose to remain out of network – members subject to balance billing

Insurance networks are beneficial in a number of ways, but two primary benefits are assuring consumers that: 1) participating providers are thoroughly vetted for quality and are able to be monitored for suspicious or fraudulent billing patterns; and, 2) participating providers cannot bill consumers for the difference in the provider's charge and the amount the insurance company reimburses the provider.

Despite the fact that House Bill 1013 would allow EMS providers to be reimbursed for cases of treatment with no transport, the majority of these payments would go directly to our members as EMS providers in the southeast choose to remain outside of our provider network. Direct payment to members – and not providers– occurs when Independence members receive covered services from out of network providers. This in turn results in a continuation of what EMS providers have expressed concerns with historically - having to “chase” payments from our members. For Independence, a concern with House Bill 1013 would be exposing our members to additional instances of provider balance billing.

This Committee worked in the last legislative session to develop a compromise intended to address this issue and allow out of network providers to be directly paid by insurance companies, while at the same time protecting consumers from balance billing. Act 84 of 2015 allows EMS providers to register with the Department of Health to receive direct payment from insurers. Act 84 provided EMS agencies with *the guaranteed payment* they are seeking while more importantly *removing the member from balance billing situations*. Unfortunately, there has been a low take-up rate by the EMS providers to date to elect this arrangement and most in the southeast choose to remain out of network.

2. Exposure to health care fraud

When EMS providers choose not to join a network, Independence is unable to perform quality or safety checks, or conduct any level of provider monitoring. This includes ensuring properly licensed and qualified providers are delivering an appropriate level of medical care and submitting claims that match the providers’ qualifications, education and training. Protecting members from fraudulent providers – as the Centers for Medicare and Medicaid Services (CMS) has done in the Philadelphia region since 2014 by placing a moratorium on new enrollments for certain ambulance providers - is a priority for Independence. House Bill 1013 would not address and could exacerbate patient safety or potential provider fraud concerns as EMS providers choose to remain outside of insurer networks.

Discussion/Recommendations

Independence asks that as you consider the intended benefits of House Bill 1013, you also consider the following in seeking to secure additional payments for providers who remain largely out of network:

- Limited impact– As already noted, government programs such as Medicare and Medicaid do not reimburse in situations of “treat/no transport”. Likewise, self-insured group plans are not subject to state law. Absent government programs and self-insured plans, the provisions of House Bill 1013 would apply to only *1 out of 4*, or *only 25 percent* of insured Pennsylvanians.
- Coordination of services – There should be thought given to addressing situations in which more than one provider arrives at scene resulting in the insurer being billed by multiple providers for the same call.
- Billing and treatment – Consideration should also be given to the types of care that can and will be rendered by EMS providers on scene and assuring such care is within the provider’s scope of licensure and qualifications. Providers should also expect to provide medical documentation to support the necessity of the care delivered.

It is important to understand that while House Bill 1013 will create a new payment path for EMS providers, the overriding issue of EMS providers choosing to remain out of network remains. This exposes consumers to balance billing and renders health plans unable to monitor these providers for quality and to ensure appropriate billing practices. House Bill 1013 may unintentionally reinforce the problem of providers remaining out of network while providing no new consumer protections.

Independence again thanks Chairmen Barrar and Sainato for this opportunity to come before you to discuss House Bill 1013 and associated issues.