



**PENNSYLVANIA  
HOUSE VETERAN'S AFFAIRS AND EMERGENCY  
PREPAREDNESS COMMITTEE  
PUBLIC HEARING  
APRIL 20, 2016**

**HOUSE BILL 1013**

**MICHAEL YANTIS  
VICE-PRESIDENT, STATE GOVERNMENT AFFAIRS**

Chairman Barrar, Chairman Sainato, and members of the House Veteran's Affairs and Emergency Preparedness Committee, thank you for your invitation to provide comments on House Bill 1013.

Highmark Inc. (Highmark) is the insurance arm of Highmark Health, an integrated delivery and financing system providing commercial health insurance products in Pennsylvania, West Virginia, and Delaware; delivering an array of other products through various diversified business entities; and providing direct health care services through the Allegheny Health Network. The comments presented to the committee today are reflective of Highmark, which provides health insurance coverage to over four million lives in Pennsylvania, with input from one of our network providers, the Allegheny Health Network (AHN), specifically AHN's Prehospital Services.

Highmark values the relationship that we have with our contracted Emergency Medical Service (EMS) providers. EMS is a critical component to the health care delivery system, providing our customers with medical services in emergent situations. Unlike other components of the health care delivery system (e.g. hospitals, primary care physicians, specialists, etc.), individuals do not have the opportunity to choose their EMS provider. Our customers and your constituents rely on the emergency medical providers that respond to 911 calls to deliver high quality, cost effective emergency care. Because of the unique situation that our customers face with emergency/911 situations, Highmark strives to have EMS providers participate in our networks to meet our customers' needs.

The issue in front of the committee today, House Bill 1013, would establish a mandated health benefit for treatment delivered at the scene of an emergency when no subsequent transport is provided by EMS. This legislation would create a unique carve out and cost for private health insurance customers as Medicaid and Medicare currently do not provide coverage for "treat no transport" situations. Highmark understands and appreciates the services that EMS providers deliver even when no transport to a hospital emergency department takes place. With this backdrop, we would like to discuss the limitations and challenges of a state mandate compared to the approach that Highmark is taking with the EMS community in our region.

### **Limitations and Challenges of a State Mandate**

Prior to discussing the public policy value of House Bill 1013, it is critical to identify and understand the limitations and challenges of state insurance mandates:

- *Impacts less than 40% of the market:* Generally speaking, the private health insurance market can be divided into two segments: fully insured and self-insured. Individual and family policies, small employers (employers with less than 50 FTE) and some large groups generally comprise the fully insured market. The self-insured market historically has been defined by large employers, but more recent experience is seeing small groups migrate into the self-insured

market as well. For Highmark, the self-insured market constitutes approximately 60 percent of our business.

Federal law, the Employee Retirement Income Security Act (ERISA), governs self-insured plans. State health insurance laws, e.g. legislation such as House Bill 1013, cannot impact self-insured plans as ERISA pre-empts state laws.

- *States required to pay for mandates:* Per the requirements of the Affordable Care Act, any state health benefit mandates that exceed a state's essential health benefits must be paid for by the state enacting such a mandate.<sup>1</sup> Pennsylvania's essential health benefits (EHB) do not include coverage for EMS treatment without transport to a facility. A list of the benefits included in Pennsylvania's EHB can be found on the Centers for Medicare and Medicaid Services website at: <https://www.cms.gov/cciiio/resources/data-resources/ehb.html#Pennsylvania>. Page 2 of the document identifies "Emergency Transportation" as an EHB, not "treatment no transport." The Committee should examine the financial implications for the Commonwealth as part of its assessment of House Bill 1013.

### **Pilot Program**

On April 7, 2016, this Committee held a public hearing on similar legislation that would have mandated health insurance companies provide a benefit for community paramedicine. At that time, Highmark and the Allegheny Health Network presented information to the Committee on a pilot program that is identifying appropriate health services for EMS providers to deliver outside of a medical transport situation. Related to this pilot, Highmark and AHN are working with local EMS entities to examine a "treat and release" program, the same concept behind House Bill 1013's "treat no transport" benefit. It is important to identify what services appropriately should be included in a "treat no transport" benefit structure. Highmark's concerns with House Bill 1013 are not necessarily the public policy concept, but the open-ended nature of the mandate—and its limitation and complications as previously noted.

The comments from April 2016 demonstrate the commitment Highmark, working in concert with a network provider—AHN—has to the EMS community. While the April 2016 comments and hearing address a slightly different issue, Highmark believes our efforts underway with our community EMS pilot will address the needs of a "treat no transport" public policy. In particular, two quotes from the April 2016 comments are worth repeating:

- "If we can develop better ways to deliver the right care at the right location and at the right level, the health care delivery and payment system will improve," Robert Wanovich, Vice President Strategic Sourcing and Market Strategy, Highmark Inc.

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<sup>1</sup> Centers for Medicare and Medicaid Services, "Frequently Asked Questions on Essential Health Benefits Bulletin," <https://www.cms.gov/CCIIO/Resources/Files/Downloads/ehb-faq-508.pdf>

- "The ultimate goal of any new and innovative initiative, like community paramedic programs, is to identify and then replicate the successes to substantially change how care is delivered in order to improve benefits to patients and relieve overburdened delivery systems," Robert J. McCaughan, Vice President, Prehospital Care Services, Allegheny Health Network.

## **Conclusion**

Highmark appreciates the efforts of Chairmen Barrar and Sainato as well as the entire Veteran's Affairs and Emergency Preparedness Committee for your continued efforts to improve Pennsylvania's emergency response system, in this case, specifically emergency medical services. Highmark believes our community pilot program will provide valuable insight, data, and experience that will help our network continue to build cost effective, quality treatment and service delivery options for our customers.