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**To: The Honorable Members of the House Committee on Veterans Affairs and
Emergency Preparedness**

From: Samuel R. Marshall

Re: House Bill 1013 – payment for “treat/no transport” emergency services

Thank you for the opportunity to participate in your deliberations on this bill, which requires managed care plans to pay “all reasonably necessary costs” for emergency care provided by an ambulance, even if the patient doesn’t end up needing or wanting to be transported. Sometimes referred to as the “treat/no transport” ambulance payment mandate, a similar version passed the House in 2015 as HB 339.

We want to make a few things clear at the outset:

- As insurers, we appreciate the value ambulance companies provide to our insureds.
- We recognize that some ambulance companies are facing financial challenges, one reason we worked to resolve their complaint that many insureds were pocketing our payments – where both sides came to agreement on the direct payment option in Act 84.
- We realize the ways in which ambulances can deliver care are changing, as they may evolve into providers of home care and ongoing check-ins, not just emergency responses.

The question for this Committee and the General Assembly is whether this bill helps in those areas in any meaningful way. Based on what we’ve seen to date, we have our doubts.

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Our members' current payment practices for "treat/no transport" are mixed. Many report they pay for these services; some report they generally don't. But even among those who pay, something isn't quite matching up: When we talk with ambulances, they say no insurers are paying in these instances, or at least not often and not much.

That disparity needs to be figured out. We should also get some estimate of how often this happens – how often does an ambulance respond to an emergency, provide emergency care but nonetheless does not transport the patient? Absent that information, we may end up with a bill that doesn't meet its professed objective of increased revenue for ambulances

That goes to our concern with this bill: It may inadvertently promise false hope to struggling ambulance companies. We respect Chairman Barrar's commitment to ambulance companies throughout the Commonwealth and his belief that this bill will go a long way to securing their financial viability. We're not sure that holds up, though, at least if ambulance companies don't see our current payment in this area as making a difference.

That may be because there are relatively few instances of "treat/no transport" ambulance care that this bill would cover. Remember, it won't apply to the self-insured community, which is greater than those we cover. And it won't apply to Medicare or Medicaid programs, which are far greater than those we cover. So the reach of this bill, in theory and in practice, would seem to be small.

With deference to this Committee and your colleagues, and to those running Medicare and Medicaid, we also don't think it is fair to mandate that insurers cover a service that government programs don't. If the Commonwealth believes payment of "treat/no transport" services is crucial to the financial viability of ambulance companies, and that paying for these services is only fair, why doesn't it pay for these services in its own Medicaid program?

That goes to a broader concern with the Commonwealth's efforts to help ambulance companies. Our experience is that the state's efforts have almost exclusively been to increase insurers' payments to ambulances. But as we've learned from the ambulance companies over the years, their bigger financial problems aren't with our payments so much as they are with the general inadequacy of payment levels by Medicare and especially Medicaid.

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We already are subsidizing that inadequacy, a subsidy that would be increased by this bill. We don't think that's fair – certainly not for our policyholders. We also don't think it is an efficient long-term solution for struggling ambulance companies. If their real financial problem is inadequate Medicaid payment, why not directly address that? Imposing rules on insurers that the state itself is unwilling to follow, even as the state also continues to pay substantially less than insurers do, doesn't seem fair to anyone.