

BUSINESS ADMINISTRATION COMMITTEE

PROPOSED AMENDMENT TO METROPOLITAN WASHINGTON AIRPORTS REGULATIONS TO IMPOSE A CHARGE FOR EMERGENCY MEDICAL TRANSPORTS

NOVEMBER 2006

ACTION REQUESTED

Staff seeks authorization to begin regulatory procedure with publication of notice of intent to impose a charge on individuals who receive emergency medical transport services to a health care facility by the Authority's Emergency Medical Services ("EMS").

BACKGROUND

The Authority provides to Airport patrons and individuals in localities contiguous to Authority facilities (via mutual aid agreements) the following EMS services:

- Basic Life Support ("BLS");
- Advanced Life Support-1 ("ALS-1") for life-threatening conditions;
- Advanced Life Support-2 ("ALS-2") for cardiac conditions; and
- Transport via Authority ambulance to local hospitals.

In recent years, there has been a significant increase in the number of EMS transportation services (i.e., "transports") to local hospitals and a concomitant increase in the cost of providing such services to Airport patrons (and to local residents under Mutual Aid Agreements). The Authority's EMS Division estimates that since 2004, EMS personnel have responded to approximately 1,750 "transports" per year on average between calls for assistance at both Airports and Mutual Aid Agreement requests. With the anticipated growth west of Dulles and the anticipated increase in air services, it is reasonable to assume that the number of transports will continue to increase.

The Authority currently does not charge individuals who receive EMS services, including those that are treated via off-Airport "transports" under Mutual Aid Agreements with surrounding localities. However, most local jurisdictions that provide EMS services under Mutual Aid Agreements to Airport patrons via on-Airport runs routinely impose charges on Airport patrons for those services. In addition, many jurisdictions nationwide and many local jurisdictions in the Metropolitan Washington area charge individuals for EMS services (known as "transport billing"). See Appendix A, attached.

Many individuals receive emergency transport services have private health care insurance permitting reimbursement for transport billing. The local jurisdictions regularly charge individual health care insurers for the cost of the transport, and in most cases, the insurer provides payment to the EMS for the transport and related services.

A number of transported individuals have insurance through Medicare, which is regulated by the U.S. Health and Human Services (“HHS”) Department. In addition to private health care insurers, Medicare regulations authorize HHS to provide payments under the Medicare program to EMS Divisions for “transport billing.” Pursuant to this authorization, HHS has established a fee schedule that it uses to reimburse EMS Divisions for their services. This fee schedule has been adopted with minor modifications by the local jurisdictions in Northern Virginia via their municipal codes and regulations.

DISCUSSION

A. The Authority has legal authority to bill for Emergency Medical Services

The Authority’s enabling legislation states that the Authority has the power to “fix, revise, charge, and collect rates, fees, rentals and other charges for the use of the airports”¹ and has “the power to adopt, amend, and repeal rules and regulations pertaining to . . . [the] operation of its facilities. . . .”² The Authority thus has the legal authority to impose reasonable charges on individuals and entities who receive Authority services, including individuals who receive EMS transport services.

B. Fee structure should be established by regulation

To impose a fee structure for emergency medical transports, the Authority should add to the MWA Regulations a regulation having the “force and effect of law” that authorizes the Authority to charge for EMS services. Such a regulation would demonstrate to HHS officials that the Authority is committed to collecting for EMS services from those who receive such services from the Authority’s EMS Division. This demonstration is prerequisite for a “health care provider” to receive Medicare funds from HHS for EMS services. For this program to be optimally effective, the Authority would need to be certified as a “health care provider” by HHS under its Medicare regulations.

¹ Va. Code §5.1-156.8.

² Va. Code §5.1-157.

C. A Third-Party Administrator is recommended for billing

To bill for EMS and transport services, the Authority can use Authority employees, contractors or third-party administrators (“TPAs”). A review of local governments in the Northern Virginia area that are billing for EMS and transport services disclosed that these governments are universally relying on TPA companies that specialize in this form of billing. These TPAs are familiar with the various legal and regulatory requirements involved in collecting health data, protecting the confidentiality of such data, and in the activities related to billing, including accounts payable, accounts receivable, and audit activities. The Authority would rely on a TPA, selected via established procurement procedures, to conduct billing on the Authority’s behalf.

D. Fee Schedule Based on HHS Formula

As previously noted, there are several different types of treatment provided by an EMS Division: BLS (least expensive), ALS-1 (more expensive) and ALS-2 (most expensive). The Medicare provisions of the Social Security Act require the U.S. Department of Health and Human Services (“HHS”) to establish a fee schedule for the payment of ambulance services. (42 U.S.C. § 1834(l)). Pursuant to this mandate, HHS promulgated comprehensive regulations establishing a complex formula for determining appropriate reimbursement fees for ambulance services. (42 C.F.R. Part 414). As of January 1, 2006, all providers have been reimbursed pursuant to the HHS fee schedule. (42 C.F.R. § 414.615(e)). Providers must accept Medicare reimbursement as payment in full on behalf of Medicare-covered individuals and may not pursue from these individuals amounts in excess of the fee set by the HHS fee schedule. (42 C.F.R. § 414.610(b)). Because each provider must apply the HHS fee schedule formula to its operations, providers in adjacent jurisdictions may arrive at different charges for the same or similar services.

The Authority’s proposed fee schedule would be consistent with the HHS promulgated rates regardless of whether Medicare or private insurance was pursued for reimbursement.

The proposed fee schedule is conservatively estimated to produce net revenue to the Authority of approximately \$370,000 assuming past service activity levels, and a 50% collection rate. See Appendix B, attached, for projected revenue calculations.

The proposed fee schedule reflects the HHS formula and is well within the range of fees charged by neighboring localities.

Though the Medicare regulations allow a provider to charge a higher or lower fee for services provided to individuals not covered by Medicare, management regards a uniform

fee schedule as a “best practice.”

Recommendation

Management recommends that we begin the process to amend the Authority regulations so that a charge for EMS transport can be imposed. A draft of a regulation follows:

§ Service Charge for Transport by Authority Emergency Medical Services Division

A. Except as otherwise provided by subsections D and E of this Section, a service charge of \$300 for Basic Life Support transport (BLS), \$400 for Advanced Life Support, level 1 transport (ALS-1), \$550 for Advanced Life Support, level 2 transport (ALS-2), and \$7.50 for ground transport mileage is imposed on each person being transported by any emergency medical services vehicle that is operated or maintained by the Metropolitan Washington Airports Authority (“Authority”) or for which a permit has been issued to the Authority by the Virginia Office of Emergency Medical Services. The term "emergency medical services vehicle" has the definition specified in Va. Code § 32.1-111.1.

B. Definitions. The following definitions apply to ambulance fees:

- (1) *Basic Life Support (BLS)*: Services shall be medical treatment or procedures to a patient as defined by the National Emergency Medicine Services (EMS) Education and Practice Blueprint for the Emergency Medical Technician-Basic (EMT).
- (2) *Advanced Life Support, level 1 (ALS1)*: Services shall be medical treatment or procedures provided to a patient beyond the scope of an EMT-Basic as defined by the National EMS Education and Practice Blueprint.
- (3) *Advanced Life Support, level 2 (ALS2)*: Advanced life support (ALS) services provided to a patient include one or more of the following medical procedures: (i) defibrillation/cardioversion, (ii) endotracheal intubation, (iii) cardiac pacing, (iv) chest decompression, (v) intraosseous line, and/or (vi) the administration of three or more medications.
- (4) *Ground Transport Mileage (GTM)*: Mileage shall be assessed in statute miles from the location of the incident to a hospital or other facility where a patient is transported.

C. The Authority's President and Chief Executive Officer will establish procedures for the administration of the charges imposed by this section, including, but not limited to payment standards for those persons who demonstrate economic hardship.

D. No charge shall be imposed on persons in the following instances:

- (1) Persons determined to be medically indigent by the Authority in accordance with administrative policies established by the President;
- (2) Persons in the custody of law enforcement personnel;
- (3) Persons confined in a police department lockup or any other detention facility operated by the Authority;
- (4) Persons affected by fire, flood, storm, natural or man-made calamity or disaster, or by widespread public disturbance or disorder when an emergency medical services vehicle responds as a matter of Authority policy without call; or
- (5) Persons transported pursuant to any no-charge mutual aid agreement with another jurisdiction.

E. The service charge of subsection A may be adjusted by the President consistent with the formula for fees for ambulance services established by the HHS.

CONCLUSION

Management asks the Business Administration Committee to authorize publication of a public notice on the above reference matter.

Prepared by:
Office of Public Safety and
Office of General Counsel

APPENDIX A

**SURVEY OF TRANSPORT BILLING PROGRAMS OF
LOCAL GOVERNMENTS IN LOCALITY OF
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY**

Local Government	Advanced Life Support	Basic Life Support	Mileage
City of Alexandria	\$200 -City Resident \$250 -Non Resident	\$200 -City Resident \$200 -Non Resident	N/A Rates being revised in Spring 2007
Arlington County	Level 1 - \$450 Level 2 - \$500	\$350	\$7.00
District of Columbia	\$460	\$270	no charge
Prince George's County, MD	\$200	No charges	no charge
Montgomery County, MD	no charge	No charge	no charge
Frederick County, MD	\$450 ALS-1 \$520 ALS-2	\$200 (non- emergency) \$300 (emergency)	\$7.50
Calvert County, MD	no charge	No charge	
Charles County, MD	Level 1 - \$360 Level 2 - \$520	No charge	no charge
City of Fairfax	no charge	No charge	no charge
City of Falls Church	Level 1 - \$450 Level 2 - \$500	\$350	\$7.00
Stafford County	no charge	No charge	no charge
Fairfax County	\$300 - \$550	\$300 - \$550	\$7.50
Loudoun County	no charge	Charge for medicine only	no charge
Prince William County	no charge	No charge	no charge
Fauquier County	no charge	No charge	no charge

APPENDIX B

PROJECTED REVENUE

Revenue generation by EMS Billing based on the following assumptions:

1. Services levels during 2004 and 2005
2. Proposed transport fees (BLS - \$300; ALS-1 - \$450; ALS-2 - \$550);
3. Mileage at \$7.50 per mile at an average 10 mile trip;
4. All ALS transports calculated at ALS-1 rate;
5. 50% recovery (i.e., payment) rate; and
6. 9.5% collection fee to Third Party Administrator

	<u>2004</u>	<u>2005</u>
Advanced Life Support	\$487K	\$426K
Basic Life Support	\$198K	\$242K
Mileage (7.50mi X 10mi average)	\$131K	\$132K
Sub-Total	\$816K	\$800K
Assumed Collection	\$408K	\$400K
Contractor's Fee	<u>- 39K</u>	<u>- 38K</u>
TOTAL	\$369K	\$362K