
Medicaid; Ambulance Reimbursement

**Annual Report to House Committee on Health Care and Human Services; Senate
Committee on Health and Welfare;
and Health Reform Oversight Committee**

Pursuant to S.139 Section 10

Steven M. Costantino, Commissioner
Department of Vermont Health Access

December 1, 2015



An Analysis of Ambulance and Emergency Services

Prepared by the Department of Vermont Health Access

Section 10 of Vermont Act No. 54 (S.139) required the Department of Vermont Health Access (DVHA) to evaluate the methodology used to determine reimbursement amounts for ambulance and emergency medical services delivered to Medicaid beneficiaries. DVHA will determine the basis for the rationale of the current level of reimbursement as well as consider any possible adjustments to revise the methodology in a way that is budget neutral or of minimal fiscal impact to the Agency of Human Services for fiscal year 2016. Finally, DVHA is required to report on or before December 1, 2015, its findings and recommendations to the House Committees on Health Care and on Human Services, the Senate Committee on Health and Welfare, and the Health Reform Oversight Committee.

Methodology

Ambulance and emergency medical services are paid using a fixed fee schedule that is set at a percentage of Medicare rates. DVHA routinely evaluates payment rates and methodologies and when resources permit, works to close the gap between Medicare and Vermont Medicaid rates. Medicaid rates for ambulance and emergency medical services were last updated in 2008 and set at 46% of the aggregate Medicare rates for the same services in order to keep spending within the appropriated budget. Since 2008, Medicare rates have increased by approximately 3% while Medicaid rates have remained unchanged. The current Medicaid rates for ambulance and emergency medical services are now approximately 43% of the aggregate Medicare rates and meet the current level of appropriation. In order to increase Medicaid rates to 100% of Medicare rates, an investment of \$3.8 million gross (state and federal) would be needed; however this increase in Medicaid rates could not be supported by the current appropriated budget.

Current Spending and Current Rates

In FY 2014, Vermont Medicaid paid approximately \$4.2 million gross (\$2.75M for Medicaid beneficiaries and \$1.45M for dually eligible beneficiaries) for ambulance and emergency medical services. Table 1 contains a breakdown of total spending by procedure code.

Table 1: SFY 2015 Ambulance Services Payments						
Procedure Code	Procedure Description	% of Medicaid Payments	Units of Service	Medicaid Payments	Medicare Crossover Payments	Total Amount Paid
A0225	AMBULANCE SERVICE, NEONATAL, BASE RATE, EMERGENCY TRANSPORT	0.1%	32	\$2,801	\$0	\$2,801
A0392	ALS SPECIALIZED SERVICE DISPOSABLE SUPPLIES: DEFIBRILLATION	0.0%	4	\$92	\$0	\$92
A0394	ALS SPECIALIZED SERVICE DISPOSABLE SUPPLIES: IV DRUG THERAPY	1.7%	1309	\$45,548	\$0	\$45,548
A0396	ALS SPECIALIZED SERVICE DISPOSABLE SUPPLIES: ESOPHAGEAL INTUBATION	0.0%	4	\$92	\$0	\$92
A0422	AMBULANCE (ALS OR BLS) OXYGEN AND OXYGEN SUPPLIES	0.5%	757	\$14,541	\$0	\$14,541
A0425	GROUND MILEAGE, PER STATUTE MILE	20.2%	191122	\$554,930	\$303,118	\$858,047
A0426	AMBULANCE, ADVANCED LIFE SUPPORT, NON-EMERG. TRANSPORT, LEVEL 1	1.3%	300	\$34,568	\$16,485	\$51,054
A0427	AMBULANCE, ADVANCED LIFE SUPPORT, EMERGENCY TRANSPORT, LEVEL 1	34.3%	5244	\$941,117	\$502,499	\$1,443,616
A0428	AMBULANCE, BASIC LIFE SUPPORT, NON-EMERG. TRANSPORT	4.6%	1489	\$125,151	\$202,316	\$327,467
A0429	AMBULANCE, BASIC LIFE SUPPORT, EMERGENCY TRANSPORT	22.7%	4103	\$623,196	\$330,442	\$953,638
A0430	AMBULANCE, CONVENTIONAL AIR SERVICES, FIXED WING, INCLUDE MILEAGE	0.3%	3	\$8,060	\$1,783	\$9,843
A0431	AMBULANCE, CONVENTIONAL AIR SERVICES, ROTARY WING	6.4%	126	\$175,930	\$19,864	\$195,794
A0433	ADVANCED LIFE SUPPORT, LEVEL 2	1.1%	119	\$31,419	\$10,799	\$42,219
A0434	SPECIALTY CARE TRANSPORT	3.9%	350	\$106,636	\$27,117	\$133,753
A0435	FIXED WING AIR MILEAGE, PER STATUTE MILE	0.0%	0	\$0	\$385	\$385
A0436	ROTARY WING AIR MILEAGE, PER STATUTE MILE	3.0%	6107	\$82,487	\$5,422	\$87,909
A0998	AMBULANCE RESPONSE AND TREATMENT, NO TRANSPORT	0.0%	0	\$0	\$0	\$0
A0999	UNLISTED AMBULANCE SERVICE	0.0%	0	\$0	\$0	\$0
	TOTALS	100.0%	211,069	\$2,746,568	\$1,420,231	\$4,166,800
	Approximately 80% of Medicaid Payments by DVHA					

Source: DVHA (Data from Business Objects and Medicaid Management Information System).

Three procedure codes comprise approximately 80% of Medicaid payments made by DVHA – A0427 Advanced Life Support, A0429 Basic Life Support and A0425 Ground Mileage.

Vermont Compared to Other States

Research and analysis was conducted on coverage and payment rate data from selected states – all of New England plus New Jersey and New York, Essex County. Table 2 contains a breakdown of coverage and payment rate analysis by Medicare and each state, including Vermont. In general, all of the other states examined, use Medicare as a benchmark for rates as Medicaid cannot pay more than Medicare in the aggregate, consistent with the majority of other categories of service. Vermont determines what percentage of Medicare rates they are able to pay within their appropriated resources. All rates in the table below have been converted to a percentage of Medicare for comparison purposes.

Table 2: Local State Rates as a Percent of Medicare Sorted in Order by Percentage of Vermont Medicaid Spending

Procedure Code	Description	Medicare Urban Rate 2015 ¹	VT Rates	VT Equivalent of Medicare 2015	NH Rates ²	NY Rate (Essex County) ³	CONN Rates ⁴	NJ Rates ⁵	RI Rates ⁶	MA Rates ⁷	ME Rates ⁸
A0427	AMBULANCE SERVICE, ADVANCED LIFE SUPPORT, EMERGENCY TRANSPORT, LEVEL 1 (ALS1-EMERGENCY)	\$430.72	\$185.54	43%	41%	46%	74%	N/A	16%	65%	65%
A0429	AMBULANCE SERVICE, BASIC LIFE SUPPORT, EMERGENCY TRANSPORT (BLS-EMERGENCY)	\$362.71	\$156.24	43%	40%	41%	74%	16%	19%	65%	65%
A0425	GROUND MILEAGE, PER STATUTE MILE	\$7.27	\$3.02	42%	36%	28%	40%	41%	8%	40%	65%
A0431	AMBULANCE SERVICE, CONVENTIONAL AIR SERVICES, TRANSPORT, ONE WAY (ROTARY WING)	\$3,503.74	\$1,462.91	42%	37%	143%	88%	76%	N/A	108%	65%
A0428	AMBULANCE SERVICE, BASIC LIFE SUPPORT (BLS), NON-EMERGENCY TRANSPORT	\$226.70	\$97.65	43%	64%	66%	74%	26%	N/A	65%	65%
A0434	SPECIALTY CARE TRANSPORT (SCT)	\$736.76	\$317.37	43%	24%	27%	N/A	76%	N/A	65%	65%
A0436	ROTARY WING AIR MILEAGE, PER STATUTE MILE	\$22.77	\$14.02	62%	N/A	148%	242%	72%	N/A	N/A	65%
A0394	ALS SPECIALIZED SERVICE DISPOSABLE SUPPLIES: IV DRUG THERAPY	Not Covered	\$35.01	N/A	\$9.00	N/A	N/A	N/A	N/A	N/A	N/A
A0426	AMBULANCE SERVICE, ADVANCED LIFE SUPPORT, NON-EMERGENCY TRANSPORT, LEVEL 1 (ALS 1)	\$272.03	\$117.18	43%	57%	74%	74%	N/A	N/A	65%	65%
A0433	ADVANCED LIFE SUPPORT, LEVEL 2 (ALS 2)	\$623.41	\$268.54	43%	28%	32%	N/A	N/A	N/A	65%	65%
A0422	AMBULANCE (ALS OR BLS) OXYGEN AND OXYGEN SUPPLIES, LIFE SUSTAINING SITUATION	Bundled	\$19.26	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
A0430	AMBULANCE SERVICE: CONVENTIONAL AIR SERVICES, TRANSPORT, ONE WAY (FIXED WING)	\$3,013.59	\$2,686.66	N/A	N/A	143%	Manual Price	N/A	N/A	125%	65%
A0225	AMBULANCE SERVICE, NEONATAL TRANSPORT, BASE RATE, EMERGENCY TRANSPORT, ONE WAY	Not Covered	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
A0392	ALS SPECIALIZED SERVICE DISPOSABLE SUPPLIES: DEFIBRILLATION (WHERE DEFIB CAN'T BE PERFORMED IN BLS AMBULANCES)	Not Covered	\$23.02	N/A	\$22.00	N/A	N/A	N/A	N/A	N/A	N/A
A0396	ALS SPECIALIZED SERVICE DISPOSABLE SUPPLIES: ESOPHAGEAL INTUBATION	Not Covered	\$23.02	N/A	\$22.00	N/A	N/A	N/A	N/A	N/A	N/A
A0998	AMBULANCE RESPONSE AND TREATMENT, NO TRANSPORT	Not Covered	28% of Billed	N/A	\$35.00	N/A	\$74.80	\$58.00	N/A	N/A	\$95.00
A0021	AMBULANCE SERVICE, OUTSIDE STATE, PER MILE, TRANSPORT (MEDICAID ONLY)	Not Covered	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
A0420	AMBULANCE WAITING TIME (ALS OR BLS), ONE WAY	Not Covered	N/A	N/A	N/A	N/A	\$17.44	\$2.50	\$12.50	N/A	\$95.00
A0432	PARAMEDIC INTERCEPT (PI), RURAL AREA, TRANSPORT FURNISHED BY VOLUNTEER AMBULANCE COMPANY WHICH IS PROHIBITED TO BILL THIRD PARTY PAYERS	\$396.72	N/A	N/A	N/A	15%	33%	N/A	N/A	N/A	N/A
A0435	FIXED WING AIR MILEAGE, PER STATUTE MILE	\$8.53	N/A	N/A	N/A	148%	N/A	N/A	N/A	N/A	65%
A0999	UNLISTED AMBULANCE SERVICE	Not Covered	Manual Priced	N/A	N/A	N/A	N/A	Manual Price	N/A	N/A	Manual Priced
VT's top 5 billing codes utilizing the highest spend											

See end notes for table references on page 3 of this report.

Key findings from this analysis are:

- Overall, Vermont rates for ambulance and transportation appear to be in the middle of the states analyzed in terms of rates as a percent of Medicare for the top five procedure codes in terms of Medicaid spend.
- Vermont pays for supplies separately from the transportation service, unlike Medicare and six of the seven other local states.

Conclusion

Consistent with many other states, DVHA's goal is to be consistent with Medicare's reimbursement methodologies wherever possible. DVHA's payment methodologies for the majority of categories of service (e.g. Inpatient, Outpatient and Physician) are consistent with Medicare's approach. DVHA routinely evaluates its payment methodologies and is currently in the process of transitioning to Medicare's methodology for two other categories of service in early 2016. The first being Physician Administered Drugs and the second is Clinical Lab services. In the case of ambulance services, DVHA mirrors Medicare's payment methodology with one exception. Unlike Medicare and the majority of states researched, DVHA provides an additional payment for disposable service supplies. DVHA's position is that this additional payment is an important component of the reimbursement, the current methodology is the most appropriate at this time and the rate is consistent with the current level of appropriation.

End Notes – Table 2 References

1. Medicare 2015 Ambulance Rates. <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AmbulanceFeeSchedule/afspuf.html>
2. New Hampshire 2015 Ambulance Rates, page 374 of 541. <https://nhmmis.nh.gov/portals/wps/wcm/connect/7647940049e39278beaafeb45b003dac/2015+Covered+Codes+09172015.pdf?MOD=AJPERES>
3. New York 2015 Ambulance Rates. https://www.google.com/url?url=https://www.emedny.org/ProviderManuals/Transportation/PDFS/Transportation_Fee_Schedule.xls&rct=j&frm=1&q=&esrc=s&sa=U&ved=0CBQQFjAAahUKEwiL_cGnv6HIAhXMWT4KHefgDXk&usg=AFQjCNF-9SxCMNaaR5vi0V3HL3j6Md3nUw
4. Connecticut 2015 Ambulance Rates. <https://www.ctdssmap.com/CTPortal/Provider/Provider%20Fee%20Schedule%20Download/tabId/54/Default.aspx>
5. New Jersey 2014 Ambulance Rates. <https://www.njmmis.com/downloadDocuments/CPTHCPSCODES.pdf>
6. Rhode Island 2015 Ambulance Rates. <http://www.eohhs.ri.gov/ProvidersPartners/BillingampClaims/FeeSchedule.aspx>
7. Massachusetts 2015 Ambulance Rates. http://www.mass.gov/eohhs/gov/laws-regs/hhs/community-health-care-providers-ambulatory-care.html#114_3_27
8. Maine 2015 Ambulance Rates. <http://www.maine.gov/dhhs/audit/rate-setting/documents/S5R06032015.pdf>