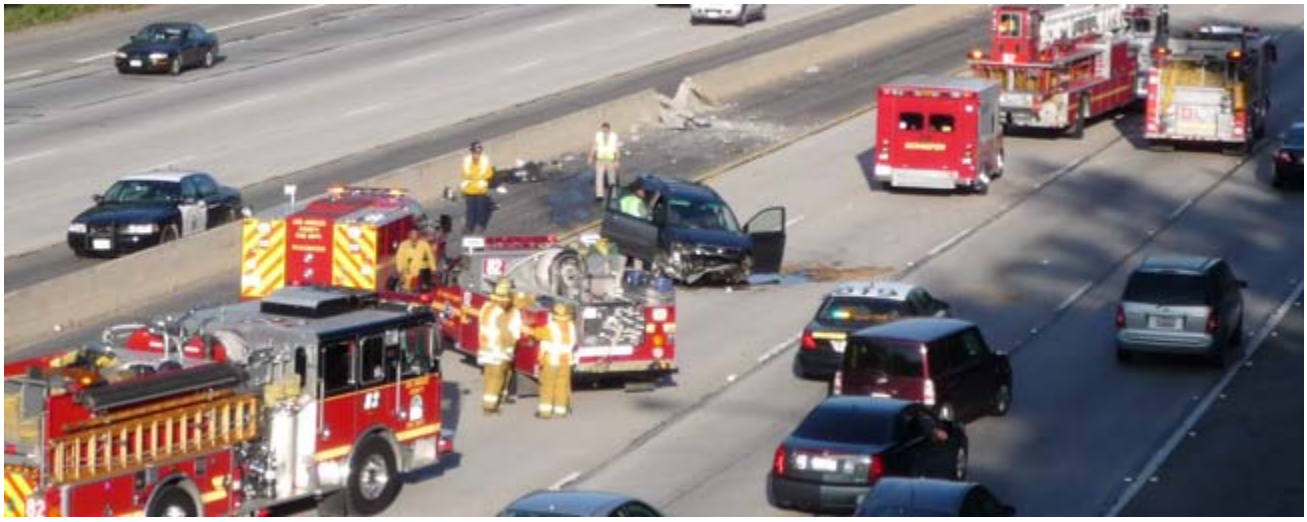
Uncompensated Care Provided by Minnesota's Emergency Medical Services

A Report to the Minnesota Legislature

Results of the 2013 EMS Uncompensated Care Study



As directed by the Laws of Minnesota 2012, chapter 247, article 6, section 4, authored by Representative Kathy Lohmer and Senator Ray Vanderveer, the Minnesota Ambulance Association compiled this report to provide information on the prevalence of uncompensated Emergency Medical Services (EMS) care as reported by licensed ambulance services, fire and first responders across the state and the extent and costs of uncompensated care as a direct result of emergency responses on interstate highways in Minnesota.

Acknowledgements

The Minnesota Ambulance Association would like to thank the Minnesota State Fire Chiefs Association, the Emergency Medical Services Regulatory Board, the Office of the State Fire Marshal, and the Eight Regional EMS Program Offices for their assistance with the distribution of the uncompensated care survey and contributions to this report. The MAA would like to give a special thanks to the ambulance, fire and first responder services that responded to the statewide survey. Their willingness to complete and submit data resulted in a response rate reflecting participation in all regions of the state.

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SECTION 1
Executive Summary

MN EMS Uncompensated Care Report

Minnesota has an exceptional and unique EMS response system in comparison to states across the nation. The EMS Regulatory Board (EMSRB) is the state agency responsible for licensing ambulance services in Minnesota and each is licensed to provide a certain level of life-saving skilled care (basic life support, advanced life support, or a combination). Ambulance services in Minnesota do not compete for business. They are assigned defined geographic boundaries, or primary services areas, to minimize the time between the occurrence of a sudden injury or illness and the on-scene response and delivery of care.

Services operate under a unique structure of Governmental and Non-Governmental EMS providers. Both share the financial burden to maintain a "level of readiness" for emergency response. The cost of this readiness as defined by the IOM is the direct expenses of every emergency response as well as the readiness costs associated with maintaining the capability to respond quickly, 24/7. With access to capital, the service can invest in equipment, supplies, medical direction and provide first responders with medical equipment and training.

The ambulance primary service area law is an important component to a sustainable revenue stream to the EMS operation. Throughout the state, we find that a licensed service is commonly a non-profit hospital-based provider with a major health care system as its anchor. These systems largely construct the framework of the statewide trauma system and support the operations funding and capitol support of the air ambulance system.

As the following survey results demonstrate, the Emergency Medical Services system in Minnesota is not immune to the widespread hurdles of financing a health care delivery operation. The rate of uncompensated care in EMS is on the rise. While state law mandates that all 911 ambulance claims must be paid within 30 days of receipt by the payer for licensed ambulance services, there exists no mandate for Government or third party payers to reimburse first responders to respond to a medical emergency and render care. Reports indicate that some first responder services in the state submit claims for responding to calls to health insurance companies and receive some level of payment on the claims. However, because Minnesota is a no-fault auto state with a $20,000 medical benefit, all EMS agencies can bill for services to this coverage and generally receive reimbursement.

One area detailed in this report is the incidence of uncompensated care that providers see on major highways and interstates in Minnesota. The capacity of the interstate highway and freeway system is to move drivers freely throughout its national infrastructure. Our EMS

providers report that they respond to accidents on these major roads involving out of state drivers without insurance coverage and no way to collect for their cost to respond. Another concern identified by Minnesota's EMS agencies is their response to calls across state lines without reciprocity in regards to the state's ability to help collect the cost associated to respond. In Minnesota we have options to collect the debt for our residents; on-residents pose a hurdle to collect from.

The continued growth in high deductible health plans sold in Minnesota leave patients with the bill for EMS services, which often adds to the increasing bad debt EMS services carry. Over the past several years, the Fire Chiefs and Ambulance Association have collectively worked to draft legislation and explore solutions to address the problems related to under-funding. The following report is an example of this work.

SECTION 2
Introduction

Background and Purpose

The 2012 Minnesota Legislature directed the Minnesota Ambulance Association (MAA) to complete a study on the prevalence of uncompensated Emergency Medical Services (EMS) care as reported by licensed ambulance services, fire and first responders across the state and the extent and costs of uncompensated care as a direct result of emergency responses on interstate highways in Minnesota. This report, *Uncompensated Care Provided by Minnesota's Emergency Medical Services*, represents the outcome of the MAAs assessment of these important issues.

To fulfill the legislative direction, the preparation of this assessment relied upon the development of a plan to include all-regions data utilizing a statewide survey of all ambulance, fire and first responder services in Minnesota. The completed report represents the collection of survey responses yielded from medical response units and ambulance services regulated under Minnesota Statutes, chapter 144E, and firefighting and first responder agencies. Data collection and consultation amongst the Minnesota Ambulance Association and its membership, the Minnesota Fire Chiefs Association, the Office of the State Fire Marshal, and the Emergency Medical Services Regulatory Board generated the findings contained in this report.

Nationally, ambulance services experience significant levels of uncompensated care – nearly double the amount compared to other healthcare provider groups.[1] AAA national findings suggest that uninsured patients make up an average of 14 percent of ambulance transports. Accordingly, Bad debt accounts for approximately 26 percent of total costs to an ambulance service[2], while an overall national estimate of payer mix conducted by the AAA reveals that ambulance providers receive below-cost reimbursement for 72% of all transports.[3] The figure includes charity care provided to the uninsured in addition to under-compensated care resulting from below-cost Medicare and Medicaid reimbursement.

Minnesota-based emergency medical services activity is tracked by the lead state agency for EMS in MN, the Minnesota Emergency Services Regulatory Board and its state ambulance reporting system (MNSTAR). MNSTAR data is particularly instructive as it documents nearly 512,000 requests for EMS service in 2012 across Minnesota's eight EMS regions. This universe of requests for services provides an instructional backdrop to the survey and final *Uncompensated Care Provided by Minnesota's Emergency Medical Services* report.

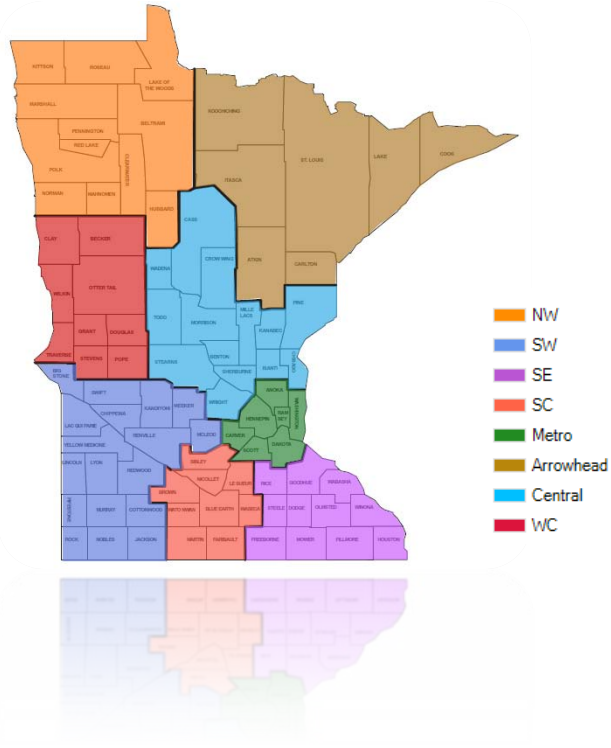
[1] American Ambulance Association, 2008
[2] Project Hope
[3] National EMS Advisory Council, 2012

SECTION 3

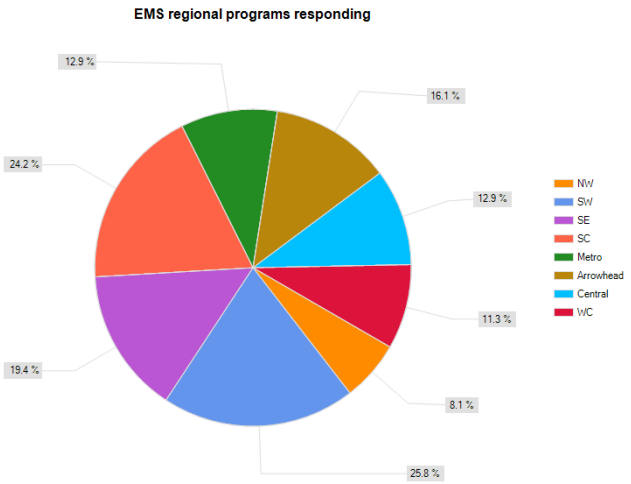
Participation Rate

The Minnesota Ambulance Association extends again a special thanks to the ambulance, fire and first responder services that responded to the statewide survey. Their willingness to complete and submit data resulted in a response rate reflecting participation in all eight EMS regions of the state.

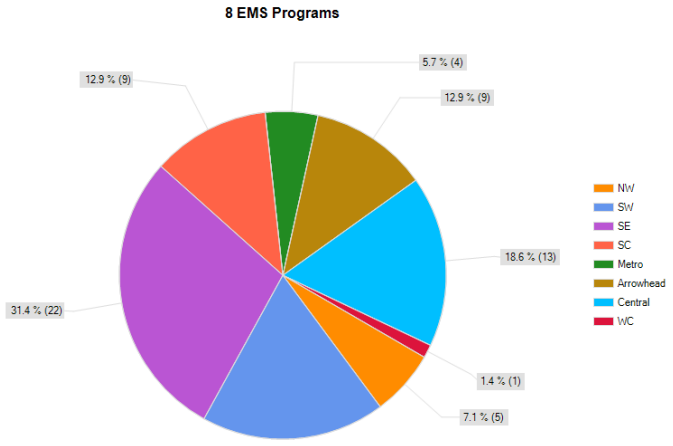
For ease of reference, the presentation of this report includes the display of survey results by provider type.



Ambulance Services



Fire and First Responders



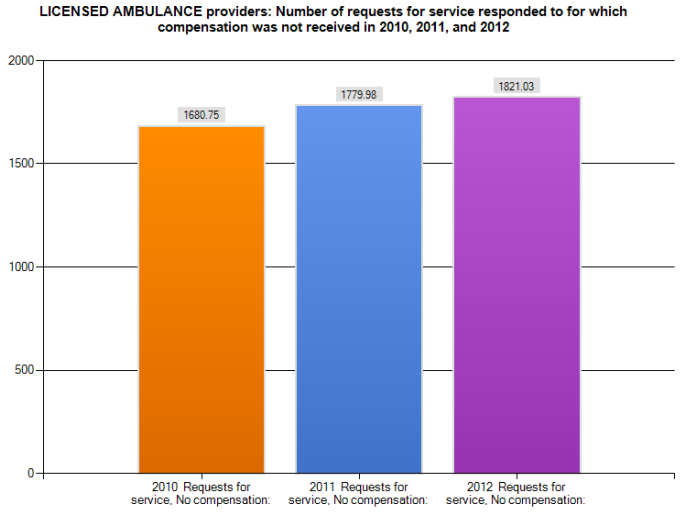
SECTION 4

Uncompensated Requests for Service

The extent of reported requests for service responded to by ambulance, fire and first responders for which compensation was not received has risen year over year for the three year term over which survey data was collected.

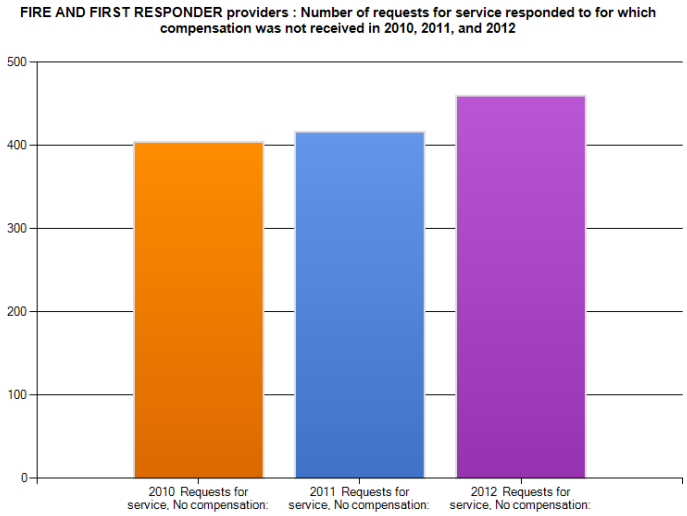
Survey respondents identified a total of 126,209 uncompensated runs in 2010. By 2012, that number grew to include another 14, 236 requests for services for which compensation was not received by the EMS service.

Ambulance Services



Average Number	Total Number	Responses
1,680.75	99,164	59
1,779.98	105,019	59
1,821.03	109,262	60

Fire and First Responders



Average Number	Total Number	Responses
403.66	27,045	67
416.01	28,289	68
458.57	31,183	68

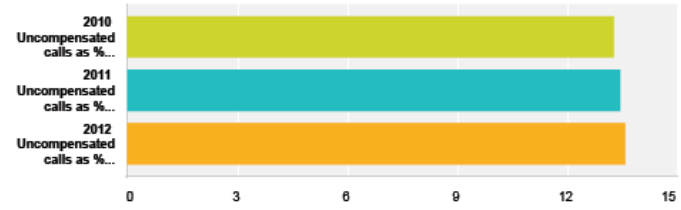
SECTION 5

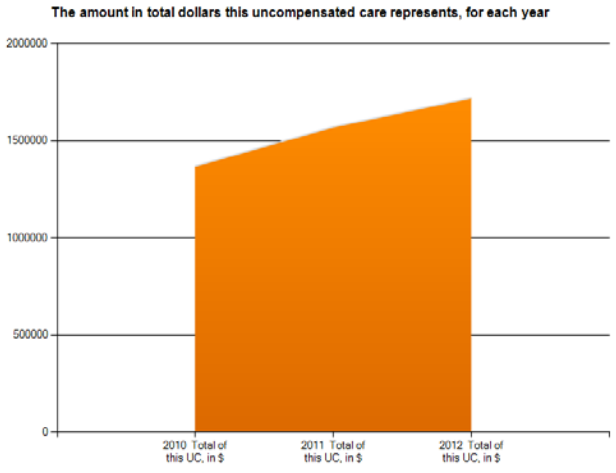
Uncompensated Care, Cost

Provider data demonstrates an increase each year for the surveyed time period in the number of uncompensated calls as a percentage of total business for Minnesota ambulance services and a consistent uncompensated care volume of total business reported by Minnesota fire and first responder providers.

The financial impact of uncompensated care realized by Minnesota services participating in this report is astounding. A total of $272,217,124 in care uncompensated is reported by Minnesota ambulances over the three year period and another $11,473,553 reported by fire and first responders for the same time period.

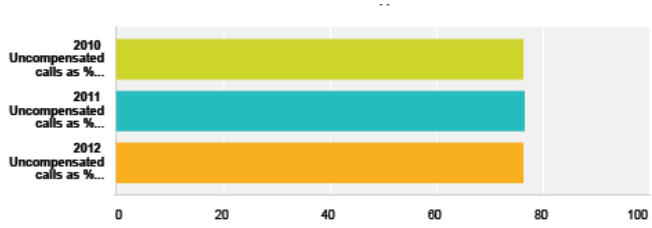
Ambulance Services

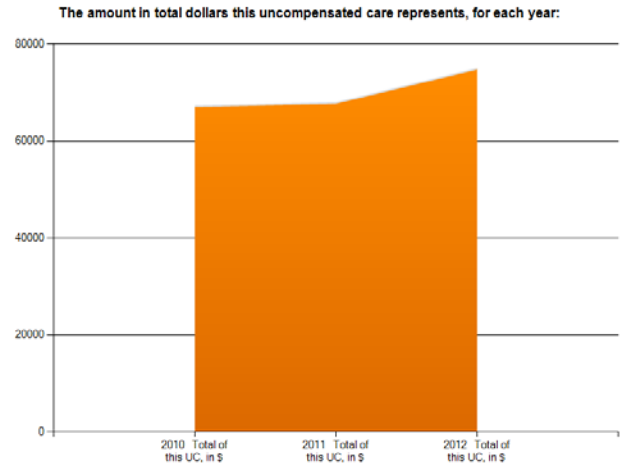




Average Number	Total Number	Responses
1,367,887.19	79,337,457	58
1,572,517.76	91,206,030	58
1,723,281.98	101,673,637	59

Fire and First Responders





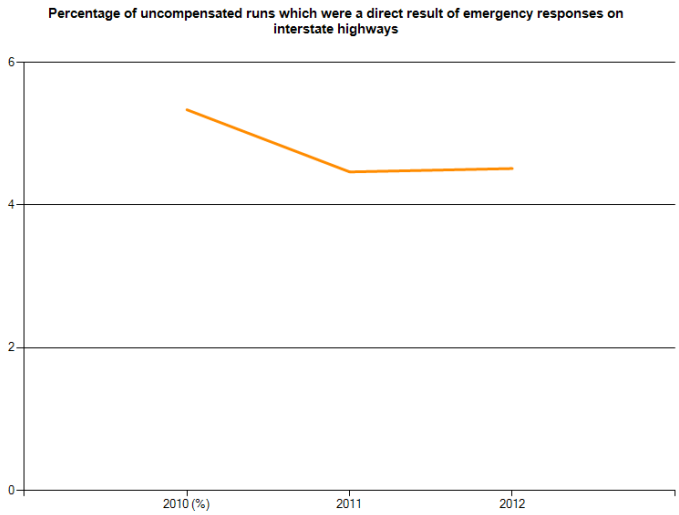
Average Number	Total Number	Responses
67,105.17	3,623,679	54
67,780.20	3,727,911	55
74,944.78	4,121,963	55

SECTION 6

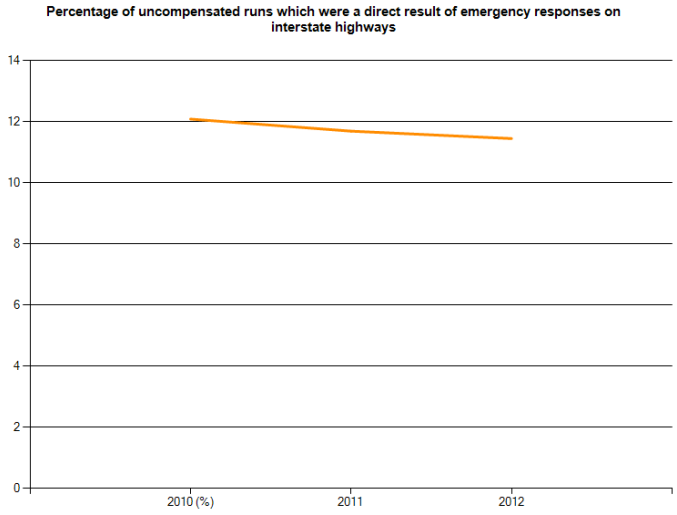
Uncompensated Interstate Responses

The extent of uncompensated care as a direct result of emergency responses on interstate highways in Minnesota declined slightly as reported by survey participants. Fire and first responders identify an average of 11-12 percent of their uncompensated runs were a direct result of emergency responses on interstate highways. The experience reported by ambulance services reflect an interstate highway uncompensated care rate of 4-5%.

Ambulance Services



Fire and First Responders



SECTION 7

Conclusions

Options for Consideration

The continued upward trend of increased uncompensated care and demand for services necessitates the identification of a sustainable funding source to assure Minnesota's EMS response safety net remains viable. Detailed below are potential options to address the funding shortfall.

- Explore developing joint powers agreements within Regional EMS systems and leverage tax dollars on a more across the board basis to fund an uncompensated care pool for responders.
- Seek legislative approval to define emergency response as a covered benefit set for first responder care.
- Work with the Department of Human services to reimburse first responder care under Medical Assistance.
- Develop an uncompensated care pool to be managed by the fire safety account or the Emergency Services Regulatory Board to pay for uncompensated care. Potential funding sources include:
    - A fee on drivers licenses
    - A fee on car tabs
    - Percentage of fines collected on expired tabs or drivers licenses
    - A surcharge on the highway excise tax dedicated to an EMS fund
    - Any future fuel tax increases
    - Dedicated general fund allocation
    - Other traffic fine revenues
- Incentives to support consolidation of first responder's services into a broader EMS system.
- Mandate high deductible health plans to provide first dollar coverage and payment for ambulance and first responder's calls to medical emergencies.
- Engage an aggressive time-line work group to develop a plan to address the uncompensated care issue.
- Develop a standard billing process for fire first responders to submit claims for payment.

Glossary

Advanced Life Support – a level of life support that indicates a higher level of care allowed via a level of training and medical direction. Advanced Life Support personnel are usually Intermediates, Paramedics, Doctors or Nurses. They can administer medications and utilize specialized equipment and interventions in the pre-hospital setting on a patient.

Paramedic - EMT-Paramedics, commonly referred to as "paramedics", represents the highest level of EMT, and in general, the highest level of pre-hospital medical provider. In some instances, a nurse or doctor may be administering aid as a pre-hospital provider. Paramedics perform a variety of medical procedures such as fluid resuscitation, pharmaceutical administration, obtaining IV access, cardiac monitoring (continuous and 12-lead), and other advanced procedures and assessments

Basic Life Support - a level of life support that has the ability to utilize certain interventions, equipment and skills in the pre-hospital setting. The level of skill is often relieved by an Advanced Life Support provider in most emergency medical services systems. Depending on the acuity level of the patient, a basic life support provider can provide the necessary treatment needed keeping an advanced life support vehicle in service.

Emergency Medical Technician - EMT-Basic is the entry level of EMS. The procedures and skills allowed at this level are generally non-invasive such as bleeding control, positive pressure ventilation, splinting, back boarding and vitals.

Medical Response Unit - an organized service recognized by an EMSRB-approved authority other than a local government unit, that responds to medical emergencies as needed or required by local procedure or protocol.

Rescue Squad – a vehicle in which medical first responders utilize to transport personnel and equipment.

"Run" – a term used for an emergency call or a patient contact that emergency personnel use.

Emergency Services Regulatory Board- this is the lead state agency for EMS in Minnesota and they provide ambulance licensure and EMS staff certification. They also are responsible to track and maintain a statewide data system tracking EMS calls in MN. This board is also tasked with oversight of medical response unit voluntary certification and complaint review process for providers.

Regional EMS Programs- MN statute 144e.50 designates the process to designate the eight regional EMS programs in MN. Regional programs apply and compete in all eight regions for a designated amount of funding. The funding is usually generated from a general fund appropriation and from 95% of seatbelt fine money collected in Minnesota. The primary focus of the Regions is to coordinate emergency and trauma care in Minnesota. The Emergency Services Regulatory Board administers the grants.

Ambulance Primary Service Area- In MN Statutes 144e.06 Primary Service Area the board shall adopt rules defining primary service areas under e which the board shall designate each licensed ambulance service as serving a primary service area or areas.

EMS Taxing districts: Statute 144F. Allows EMS services to develop a joint powers agreement with two or more government entities to collect tax revenue for operations. The current law allows flexibility in funding uses.

Level of Readiness: The cost of this readiness as defined by the IOM is the direct expenses of every emergency response as well as the readiness costs associated with maintaining the capability to respond quickly, 24/7.

No-Fault Auto- Minnesota has a $20,000 medical benefit in all auto policies required in law in MN, the $20,000 pays 100% of charges for all fire and EMS calls.

Report prepared by the Emergency Preparedness Resource Group Consulting for the Minnesota Ambulance Association.