

CMS Seeks to Improve Patient Care and Decrease Costs for Emergency Transportation by Implementing New Medicare Payment Model

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On February 14, 2019, the Centers for Medicare & Medicaid Services (“CMS”) [announced](#) the Emergency Triage, Treatment and Transport reimbursement model (the “ET3 Model”), a demonstration project that aims to provide improved flexibility to ambulance crews addressing 911-initiated emergency calls for Medicare beneficiaries.

CMS plans to release its Request for Applications (“RFA”) to solicit participation in the ET3 Model from Medicare-enrolled ambulance providers and suppliers in the summer of 2019. The ET3 Model start date is anticipated for January 2020 for those selected to participate under the RFA. It will have a five-year performance period.

Currently, Medicare will reimburse for emergency ground ambulance services when individuals are transported to certain covered destinations, such as an emergency department (“ED”) in a hospital. The current reimbursement model, according to CMS, incentivizes ambulance crews to transport most Medicare beneficiaries who call 911 to a hospital ED—even when a lower “acuity”^[1] health care destination may be more appropriate for the patient and for costs.

This incentive to transport most Medicare patients to hospital EDs can result in two issues. First, hospitals are *expensive* destinations; health care costs (for both patients and the government/taxpayers) are much higher for hospital ED visits than for visits to other health care destinations. In fact, CMS notes that “an earlier White Paper by the U.S. Departments of Health and Human Services and Transportation found” savings potential of \$560 million per year by transporting Medicare beneficiaries to “doctors’ offices” when appropriate instead of hospital EDs.^[2] Second, hospital EDs are clogged with patient cases that can divert important resources necessary to efficiently treat higher-acuity cases.

The ET3 Model intends to combat these issues by reducing expenditures and enhancing the quality of patient care. According to the February 14, 2019 [press release](#), the model aims to ensure the “most appropriate level of care at the right time and place with the potential for lower out-of-pocket costs.” The model will reimburse participating ambulance suppliers and providers for:

1. transporting a Medicare beneficiary to a hospital ED or other destination currently covered under Medicare regulations;
2. transporting the beneficiary to an *alternative destination*, such as an urgent care clinic, a primary care doctor’s or other physician’s office, or a behavioral health center; and
3. *providing treatment* to the beneficiary with a qualified health care practitioner either on the scene (e.g., a nurse practitioner as part of the EMS crew) or via telehealth, will be paid to participating providers and suppliers as a telehealth originating site.^[3]



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As a result of these reimbursement options, the ET3 Model targets the reduction of avoidable transports to hospital EDs (or transports to *any* destination, since on-scene or telehealth-delivered care may be reimbursed), which would in turn decrease unnecessary hospitalizations following those transports.

The ET3 Model also encourages a medical triage component delivered by a “health care professional” for low acuity 911 calls.^[4] Under the ET3 Model, after a 911 call is received, the dispatcher either (1) initiates an ambulance service immediately or (2) routes the caller to a health care professional, who discusses health concerns with the individual and determines whether an ambulance should even be initiated (e.g., or whether the problem may be treated using telehealth). By triaging these calls, the ET3 Model seeks to improve efficiency in the EMS system so that professionals are able to more readily respond to and focus on higher-acuity cases, such as strokes, heart attacks, and serious physical trauma. By implementing these medical triage lines, applying local governments and other entities that operate or have authority over 911 dispatches in geographic regions where ambulance providers and suppliers have been selected to participate in the ET3 Model may receive “cooperative agreement funding” from CMS.^[5]

As discussed above, the ET3 Model will be open to Medicare-enrolled ambulance providers and suppliers. Although the ET3 Model proposes to pay for telehealth and in-person treatment performed by participating ambulance providers and suppliers, the question of who will be coordinating these services is not yet contemplated. CMS has noted that ambulance providers and suppliers without qualified telehealth practitioners may wish to “seek opportunities for partnership” in preparation for the RFA release in the summer of 2019.^[6]

[1] “Acuity” is essentially the level or intensity of care required to treat a patient.

[2] Centers for Medicare & Medicaid Services, *Webinar: Emergency Triage, Treat, and Transport (ET3) Model – Overview*, Slide 7 (Last updated March 21, 2019), available at <https://innovation.cms.gov/resources/et3-overview.html>.

[3] Participating EMS companies should be prepared to adhere to documentation rules if providing reimbursable treatment on scene or via telehealth.

[4] Centers for Medicare & Medicaid Services, *Webinar: Emergency Triage, Treat, and Transport (ET3) Model – Overview*, Slide 10 (Last updated March 21, 2019), available at <https://innovation.cms.gov/resources/et3-overview.html>.

[5] In Fall 2019 after ET3 Model participants have been selected and announced, CMS “anticipates issuing a Notice of Funding Opportunity (NOFO) . . . for up to 40 two-year cooperative agreements” for local governments and other entities to implement medical triage lines. See Centers for Medicare & Medicaid Services, *Emergency Triage, Treat, and Transport (ET3) Model* (Last updated March 21, 2019), available at <https://innovation.cms.gov/initiatives/et3/>.

[6] Centers for Medicare & Medicaid Services, *Webinar: Emergency Triage, Treat, and Transport (ET3) Model – Overview*, Slide 22 (Last updated March 21, 2019), available at <https://innovation.cms.gov/resources/et3-overview.html>.

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