



Health Care Reform and It's Effect on EMS

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The Patient Protection and Affordable Care Act or “Health Care Reform”

➤ The Problems:

- Rising Health Care Costs
- Uninsured
- Fraud and Abuse

➤ The Solutions:

- Cap and Cut Spending
- Create Benefits
- Increase Integrity

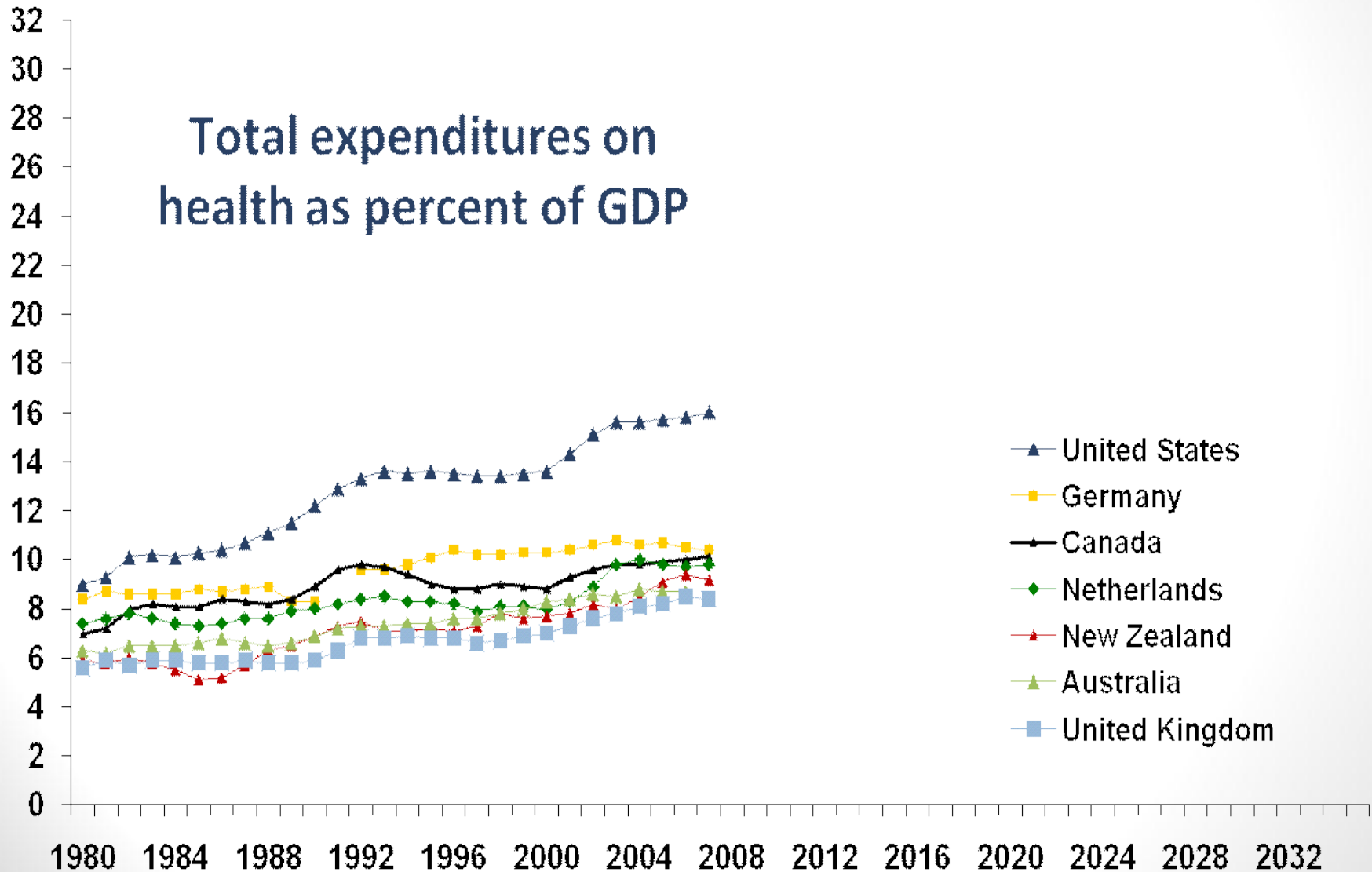
How Will These Solutions Work

“The actual future impacts of the PPACA on health expenditures, insured status, individual decisions, and employer behavior are very uncertain. The legislation would result in numerous changes in the way health care insurance is provided and paid for in the US, and the scope and magnitude of these changes are such that few precedents exist for use in estimation.”

*Richard S. Foster, Chief Actuary
Centers for Medicare and Medicaid
Services*

The U.S. Leads the World in Health Care Costs

Total expenditures on health as percent of GDP



Impact of Supreme Court Decision

- Individual Mandate: No problem, it's a “tax”
- State Mandate to Expand Medicaid is unconstitutional
- But Court allows Expansion without enforcement
- Some States do not intend to expand
- Feds pay 100% of costs at first, 90% after 2020

The Patient Protection and Affordable Care Act Summary

- Expands Dependent Eligibility
 - Up to Age 26 (previously 19)
 - Includes:
 - i. Step Children
 - ii. Adopted or Foster Children
 - Excludes:
 - i. Dependents with Employer Coverage
 - ii. Grandchildren

The Patient Protection and Affordable Care Act Summary

- Prevents plans from rescinding coverage during an illness
- Ends pre-existing conditions limits: Kids now Adults as of 2014
- Eliminates Life Time/Yearly Maximums:
 - Life time max as of 2011
 - Annual limits as of 2014
 - Applies to “Essential Benefits”

The Patient Protection and Affordable Care Act Summary

Medicaid coverage is expanded:

- Applies to **ALL** persons under 133% of FPL
 - \$14,856 individual / \$30,657 family as of 2012
- CHIP kids transitioned to Medicaid
- 133% to 400% FPL are eligible for subsidized coverage in an Exchange Plan (up to \$92,200 for family of 4 as of 2012)
- States may also create a Basic Health Plan instead of Exchange Plan

The Patient Protection and Affordable Care Act Summary

- Individuals must have coverage or face penalties/tax:
 - \$95 or 1% of income as of 2014
 - \$695 or 2.5% of income by 2016
- Employers with 50 plus FTEs must offer coverage or face penalties of \$2,000 per FTE (for FTEs over 30)
- Coverage must be “affordable” (>9.5% of income) or face penalties or pay for Exchange Plan for employee
- Employers with 25 employees or less will receive financial incentives (tax credit of 25-35%) if they pay 50% or more of premium

The Patient Protection and Affordable Care Act Summary

- Extended 2% urban and 3% rural and 22.6% super rural bonuses for ground ambulance.
 - This ends with 2013 (again)
 - Congress looking at more permanent solutions
 - Cuts to BLS Non-emergent is the first step

The Patient Protection and Affordable Care Act Summary

- Creates Exchanges:
 - States organize 4 levels of insurance coverage.
 - These plans are eligible for subsidies
 - 100-133% of FPL = limited to 2% of income
 - 300-400% of FPL = limited to 9.5% income
 - Subsidies provided by Feds from penalty \$ and increased taxes.
 - Rules for these programs are not clear:
 - What will they pay?

The Patient Protection and Affordable Care Act Summary

- Establishes a Medicare pilot program to develop and evaluate bundled payments
 - Accountable Care Organizations (ACOs)
- Also Pilot program for “regionalized EMS and trauma systems”
- Reduced Timely Filing Rule to 12 Months from date of service.

The Patient Protection and Affordable Care Act Summary

- Incentives for Preventable Hospital Readmissions
 - Does not apply to Critical Access or Post-Acute Care facilities
- Readmissions within 30 days for:
 - Heart Attack
 - Heart Failure
 - Pneumonia
 - COPD (after 2015)
 - Other cardiac and vascular procedures named by Secretary (after 2015)

The Patient Protection and Affordable Care Act Summary

- At home/facility Dialysis initiative
- Focus on Quality of Care
- Productivity/Efficiency incentives
 - Assumes more efficient each year
 - Results in negative fee schedule increase

The Patient Protection and Affordable Care Act Summary

- Increase programs and incentives to prevent waste, fraud and abuse (\$350M funded for this effort)
- AKA is actionable as False Claim
- Whistle-blower incentives made simpler
- Exchanges are government program for FCA purposes
- Allows for suspension of payments when there are “credible allegations of fraud”
- Mandatory Compliance Programs!

OIG's Model Compliance Plan for Ambulance Services

➤ Seven Basic Elements of Compliance Plans

- 1) Develop Compliance Policies/Procedures
- 2) Designate a Compliance Officer
- 3) Education and Training
- 4) Internal Monitoring and Reviews
- 5) Responding to Misconduct
- 6) Develop Open Lines of Communication
- 7) Enforce Disciplinary Standards through well-publicised guidelines

Questions, comments, concerns:

