



Implementation of Healthcare Reform in California Principles, Issues & Action Items

On March 23, 2010, President Obama signed into law the *Patient Protection and Affordable Care Act of 2010 (PPACA)* and a companion bill, the *Health Care and Education Reconciliation Act of 2010*, was also signed into law a short time later. California's Secretary of Health and Human Services, Kim Belshé, recently stated "the PPACA gives states considerable discretion" in implementing healthcare reform. In 2010, key legislation became law which accelerates healthcare reform implementation in the state, including establishing a health insurance exchange. In order to achieve near-universal health insurance coverage among California residents, Medi-Cal eligibility will be expanded resulting in approximately two million additional Medi-Cal enrollees by 2019. The CAA projects this expanded coverage will generate an estimated 25% increase in Medi-Cal ambulance transports and will have a major impact on California's EMS systems.

The California EMS Act has established the following definition of Emergency Medical Services (EMS) and this definition forms the foundation for this policy statement:

The organized delivery system for emergency medical care within a geographic area including 9-1-1 call taking, dispatch, medical control, emergency medical response, field triage and stabilization, transport by ambulance to a hospital and interfacility transports. The EMS system encompasses all of the types and levels of services utilized in responding to a medical emergency (Health and Safety Code Section 1797.72). Each county developing an emergency medical services program shall designate a local EMS agency, or LEMSA, (as defined in Health and Safety Code Section 1797.200) to implement the local EMS plan.

PRINCIPLES

As policy makers, insurers and other stakeholders proceed with implementation of healthcare reform, the CAA strongly urges that reform initiatives advance quality, efficient and medically-appropriate patient care. As established by the California EMS Act and the federal courts, emergency medical services incorporate both emergency and inter-facility types of service. Therefore, the CAA believes the following principles are essential:

1. Engage providers and administrators responsible for state and local EMS system oversight in all phases of healthcare reform implementation
2. Preserve the prudent layperson standard for public access to emergency medical care
3. Achieve improved coordination, expanded regionalization, and increased transparency and accountability
4. Assure minimum benefit packages cover medically-necessary ambulance service
5. Promote quality initiatives and performance principles in EMS systems
6. Effectively align the incentives of patients, providers and payers
7. Adequately fund EMS system infrastructure and provider cost of readiness
8. Recognize the value associated with EMS contributions to injury and illness prevention
9. Evaluate EMS system reforms which enhance patient outcomes and reduce downstream healthcare costs

ISSUES

Below are issues that require further research and deliberation:

1. Will pay-for-performance & pay-for-reporting demonstration projects be applied to ambulance (value-based purchasing)?
2. Under new coordinated care models and accountable care organizations (ACOs), are there opportunities for pass-through payments from other health care providers to ambulance providers in order to reduce hospital readmissions?
3. Will new innovative wireless health care applications offer new revenue opportunities for EMS-based patient monitoring?
4. Are home and community-based care systems opportunities for expanded scope of services?
5. Will Medi-Cal's global capitated payments to safety-net hospital systems include safety net EMS providers?
6. Will EMS be included in the new trauma center program to boost emergency department and trauma center capacity? Will EMS be included in research on innovative models for emergency care systems?
7. Will medically necessary ambulance transport services be included in minimum benefits packages?
8. Could national and regional competitive bidding projects be expanded to include ambulance services (i.e., DME)?
9. Could integrated systems of care force ambulance payments to be bundled with other health care providers (i.e., SNF-PPS, Ohio SNFs)?
10. Should Medi-Cal programs adopt Medicare-level payments for safety net EMS services just as for primary care services?
11. Can comparative effectiveness research be applied to assure evidence-based EMS reforms and appropriate ambulance medical necessity criteria?
12. Can health care quality initiatives be applied to increase EMS system clinical and financial performance?
13. Can improved systems of transport authorization reduce ambulance payment denials and bad debt?
14. Can new mobile health care models generate savings in downstream healthcare costs?

ACTION ITEMS

Below are initial action items designed to assure the interests of California EMS systems and providers are represented in all phases of healthcare reform in California:

- Create a CAA statement establishing principles for healthcare reform in California.
- Send letter to new state HHS Secretary requesting the health insurance exchange “include medically necessary ground ambulance transportation” in the minimum benefits package; reinforce need for EMS and ambulance input in the healthcare reform implementation process.
- Host meeting with leaders of EMSA, EMSAAC and EMDAC to discuss EMS impact of healthcare reform implementation; recommend EMSA hosted “Healthcare Reform Implementation - EMS Task Force.”
- Recommend EMS stakeholders (EMSA, EMSAC, EMDAC, CAA, CalChiefs) make a joint presentation to the California Healthcare Reform Implementation Task Force.
- Seek elaboration from DHCS regarding the state’s “investments in the safety net system;” what are the implications/opportunities for EMS systems?

- Establish a CAA position paper defining and justifying medically necessary medical transportation services; covering the full scope of services from air, emergency, inter-facility, gurney van and wheel chair types of service; address the distinctions between medically necessary and non-medically necessary services.
- Update the CAA position paper on state and local EMS system oversight to incorporate the impact of healthcare reform on the foundations established by the state EMS Act, including such issues as state and local EMS system oversight and the integrity of exclusive operating areas (EOAs).
- Seek author for EMS policy paper to be submitted to the California Foundation Committee.
- Determine if any federal grant opportunities exist for EMSA to flow through to EMS community.
- Apply for a grant from the “California Center on Healthcare Quality” to research ways EMS can improve prevention and wellness and reduce downstream healthcare costs.
- Create educational opportunities at CAA Legislative Summit, Convention, publications and webinars.

For more information, go to www.the-caa.org/healthcarereform/. The state has launched a new website providing information about healthcare reform implementation: www.healthcare.ca.gov. For information about federal healthcare reform implementation, go to www.healthcare.gov.

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