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New Transportation Model Creates Value-Based Care Payment Opportunities for Ambulance Providers and Suppliers

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The U.S. Department of Health and Human Services Center for Medicare and Medicaid Innovation ("CMS Innovation Center") issued a press release on February 14, 2019, announcing the Emergency Triage, Treat, and Transport Model (the "ET3"). The ET3 is a five-year payment model that will test two new Medicare ambulance supplier and provider payments for:

1. Treatment "on-the-scene" or through telehealth; and
2. Emergency transport to alternative destinations such as a primary care office or urgent care clinic.

Currently, Medicare only authorizes payment for emergency ambulance services when they transport patients to hospitals, critical access hospitals, skilled nursing facilities, and dialysis centers. As such, ambulance suppliers and providers often bring Medicare beneficiaries to a hospital emergency department, even if there is a more convenient and appropriate setting available. There are many instances where treatment could be provided either on-the-scene or at a lower-acuity destination, but those options are not payable under Medicare and thus largely ignored.

Both new payment options offer the opportunity for ambulance suppliers and providers to deliver care to Medicare beneficiaries in ways not typically considered in the past. Ambulance suppliers and providers can expand their partnerships beyond hospitals to include primary care doctors' offices, urgent care clinics, or any number of other lower-acuity destinations. Additionally, ambulance suppliers and providers can partner with qualified health care practitioners to provide telehealth services in order to increase their participation in the growing digital health industry.

The goal is to help reduce unnecessary emergency department visits and improve the efficiency and quality of care. The ET3 summary provides three means by which the ET3 will "reduce expenditures and preserve or enhance quality of care":

- **Providing person-centered care**, such that beneficiaries receive the appropriate

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level of care delivered safely at the right time and place while having greater control of their health care through the availability of more options;
- **Encouraging appropriate utilization of services** to meet health care needs effectively; and
- **Increasing efficiency in the EMS system** to more readily respond to, and focus on, high-acuity cases, such as heart attacks and strokes.

As stated in the press release, ET3 is another step in the larger effort towards a value-based health care system that aims to deliver the right care, from the right provider, at the right price.

The CMS Innovation Center anticipates that payments made through the ET3 will begin January 1, 2020, and end December 31, 2024. Moving forward, the CMS Innovation Center will begin accepting applications from Medicare-enrolled ambulance suppliers and providers in summer 2019. Once participants are selected to test the ET3, the CMS Innovation Center will begin contracting with local governments or other entities that operate 911 dispatches in locations where participating ambulance suppliers and providers serve. These contracts will help develop medical triage lines that will screen 911 callers before ambulance launch.

If you would like to explore these opportunities further, please contact anyone in Dorsey's Healthcare practice or your regular Dorsey attorney.