Hospital Interfacility Ambulance Transportation for Medicaid Patients

Report required by

Joint Chairmen's Report 2022 (p 42)

And by

Senate Bill 295, Chapter 668, Sec. 3, 2022 (MSAR# 14118)

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Maryland Institute for Emergency Medical Services Systems (MIEMSS)
653 West Pratt Street
Baltimore, Maryland 21201
410-706-5074

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Executive Summary

The 2022 Joint Chairmen's Report directed the Maryland Institute for Emergency Medical Services Systems (MIEMSS) to report on interfacility transportation of Medicaid patients between hospitals in Maryland. Senate Bill 295, *Maryland Medical Assistance Program – Emergency Services Transporters – Reimbursement* (Ch. 668, Sec. 3 of the 2022 Acts), contained a similar directive. As discussed herein, the Report includes the following information.

- Hospital interfacility transportation involves transferring the patient from one acute care hospital to another for a service that is not available at the sending hospital, as well as infrequent transfers back to a community hospital after specialized treatment. Hospital discharge by ambulance occurs at the conclusion of acute care at the hospital and involves patients being transferred back to the community to either their home or sub-acute nursing facility (SNF).

- Medicaid's Non-Emergency Medical Transportation (NEMT) Program provides payment for interfacility transportation of Medicaid patients when the transfer meets certain clinical requirements. Interfacility transports may occur via ground ambulance or by rotary wing ambulance (i.e., helicopter) if transport by ground ambulance is contraindicated due to time, distance, geographical barriers, or critical illness beyond the capability of available commercial ground ambulance units to manage.

- Since 1993, Maryland's NEMT program has operated via grants from the Maryland Department of Health (MDH) to 24 local jurisdictions. For non-emergency transportation necessitating an ambulance, each jurisdiction secures NEMT ambulance services through contracts with commercial ambulance services.

- Contractual rates and, therefore, reimbursement, for commercial ambulance ground services for NEMT transports varies among jurisdictions and vendors.

- Hospitals and health systems have expressed significant concerns about cumbersome, lengthy and varying Medicaid processes to obtain required pre-authorization for the transport and delayed transport of patients between facilities, raising patient safety and quality issues.

- MDH is transitioning from its grant model to a new model known as an "Administrative Service Organization" (ASO). An active procurement is under way for this new NEMT model, for which award is expected in early Calendar Year 2023. The new model will replace the existing grant system with a single entity and uniform NEMT processes statewide. Additionally, Medicaid will establish an NEMT fee schedule, instead of individual jurisdictions conducting independent solicitations and setting reimbursement rates in contracts with commercial ambulance services.

- Medicaid should work closely with stakeholders, including commercial ambulance services and hospitals, as it implements the new ASO model for the NEMT program to ensure the successful implementation and operation of the new model.

Introduction & Policy Context for the Report

Medicaid is a joint federal and state program that provides assistance to qualifying low-income people, families and children, pregnant women, the elderly, and people with disabilities. Medicaid covers a broad array of services, including hospital inpatient and outpatient services, nursing facility services, and home and community-based services.

In accordance with 42 CFR 431.53 and 42 CFR 440.170, Medicaid's state plan authority prescribes how the Medicaid program will assure access to covered services when an eligible[1] participant has no other means to access a covered service. In order to receive federal reimbursement, Maryland must administer the program in conformity with federal statutes and regulations, as enforced by CMS.

In addition to hospital transfers and discharges, Medicaid's NEMT Program provides reimbursement for transport of eligible and qualified participants to and from a doctor's office, the hospital or another medical office for Medicaid-covered services when other means of transportation are not available. NEMT can include transportation by taxi, wheelchair van, ambulance, private vehicle, and public transportation.[2] The Federal Medical Assistance Percentage (FMAP) for the costs of the NEMT Program is 50%. Medicaid is the payer of last resort. MDH's NEMT Program is overseen by Medicaid's Office of Long Term Services and Supports and currently administered by 24 grantees (23 local health departments and the Montgomery County Department of Transportation). MDH is responsible for compliance and program integrity enforcement, such as protection from fraud, waste, and abuse of Medicaid funds.

During the 2022 Legislative Session, several hospitals/hospital systems raised concerns about the hospital interfacility ambulance transfer of Medicaid patients under the Medicaid NEMT Program. The Joint Chairmen's Report and SB 295 directed MIEMSS to study and report on this issue.

In September 2022, MDH issued a Request for Proposals (RFP) to significantly modify the NEMT Program from its current grant-based management model to a new Administrative

[1] See Medicaid Transmittal PT 19-13 (April 3, 2013).

[2] See COMAR 10.09.19. The ambulance transport encompassed by the NEMT Program does not include 9-1-1 ambulance transport for individuals experiencing an immediate threat to the life or health of a participant, e.g., transport of a patient from the scene of a car crash to a hospital. See Medicaid Transmittal PT 10-05 (October 8, 2004).

Services Organization model.[3] MDH had determined to move to the new program model based on recommendations made in 2018 by a consultant engaged to study various Medicaid program business processes.[4] The COVID-19 pandemic, however, delayed issuance of the RFP until 2022. The deadline for proposals responsive to the RFP was December 22, 2022, with contract award anticipated to occur in early Spring 2023. This report is being submitted prior to the conclusion of the RFP process.

Maryland's NEMT Program

Since 1993, Maryland's NEMT Program has operated via grants from MDH to 24 local jurisdictions. Except for Montgomery County, the grants are to local health departments that administer the NEMT Program in their specific jurisdiction, collectively referred to in this report as "jurisdictional MA Transportation Programs."[5] Jurisdictional MA Transportation Programs secure NEMT ambulance services through local procurement and competitive bidding processes, which vary by jurisdiction. Each year, MDH Medicaid spends approximately $50 million and provides NEMT services to approximately 47,000 individuals spanning all modes of transportation.[6] [7] While MDH establishes all policies for the NEMT Program, jurisdictional MA Transportation grantees administer the NEMT Program at the jurisdictional level.

In addition to securing NEMT transportation contracts, each of the 24 jurisdictions have significant administrative responsibilities including screening all transport requests to determine the participant's eligibility and qualification for safety net transportation, determining the medical necessity for the mode of transportation requested, arranging, transportation, and ensuring federal and State requirements are met, as well as preventing fraud, waste, and abuse of Medicaid funds.

NEMT Hospital Interfacility Transfer Overview

[3] Maryland Department of Health Request for Proposals. Statewide Administration of Non-Emergency Medical Transportation for the Maryland Medicaid Program. RFP #: OCMP22-00008, September 2, 2022. The deadline for proposal submission is December 22, 2022. [insert link]

[4] Public Consulting Group. Maryland Medicaid Diagnostic Assessment of Business Processes and Program Administration. December 7, 2018. MDH submitted the report in response to a directive from the FY 2019 Joint Chairmen's Report (p. 93).

[5] In Montgomery County, NEMT is administered by the Montgomery County Department of Public Works and Transportation, Division of Transit Services.

[6] This includes all types of transports, including interfacility and outpatient transfers and discharges.

[7] Texas A&M Transportation Institute "Examining the Effects of Separate Non-Emergency Medical Transportation (NEMT) Brokerages on Transportation Coordination, State-by-State Profiles 12/15/15," cited in *Maryland Medicaid Diagnostic Assessment of Business Processes and Program Administration*, report completed by the Public Consulting Group (PCG) under contract to MDH in response to a directive in the FY 19 Joint Chairmen's Report.

Interfacility transfers involve moving a patient from one acute care hospital to another, with clinical care provided during transport, for a service that is not available at the sending hospital.[8] The vast majority of these patient transfers occur by ground ambulance and cannot be anticipated or pre-scheduled. For example, a woman in labor may be transferred because the sending hospital lacks the necessary labor and delivery capability, or a psychiatric patient may be transferred to an open bed in another hospital when the sending hospital lacks that capacity. It is important to note that roundtrip transportation (without admission to a secondary facility) for a treatment not available at the facility to which a participant is admitted (e.g., radiation oncology) is not covered by the NEMT Program.

Maryland's NEMT program also covers patient interfacility transport by rotary wing ambulance (helicopter) when transport by ground ambulance is contraindicated due to time, distance, geographic limitations, or critical illness beyond the capability of available commercial ground ambulance units to manage.

Four levels of ambulance transport, as designated in The Maryland Medical Protocols for Emergency Medical Services, which defines the scope of practice for all Maryland EMS clinicians, are covered under the program: Basic Life Support, Advanced Life Support, Specialty Care, and Neonatal transport. The rotary wing ambulance functions at all of these levels.

> **Basic Life Support (BLS)** – The ambulance driver must be a Public Service Commission-licensed driver approved by MIEMSS or an Emergency Medical Responder (EMR) (or higher); the attendant must be an Emergency Medical Technician (EMT). BLS may transport patients within the scope of practice of an EMT, which includes patients who are stable with maintenance intravenous (IV) fluids. BLS licensed ambulances may not add a nurse or other health care clinician to staff the ambulance for the purpose of caring for a patient who requires care outside the scope of practice of the EMT. These patients must be transported by an advanced life support licensed ambulance.
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> **Advanced Life Support (ALS)** – The driver must be an EMR or higher; the attendant must be a Cardiac Rescue Technician (CRT) or Paramedic. The ALS clinician may start IVs, as well as administer medications and perform procedures as outlined in The Maryland Medical Protocols for Emergency Medical Services. Patients requiring care outside the scope of practice of the ALS clinician must be accompanied by a health care clinician authorized by law to provide the level of care required (i.e. a nurse, or physician).
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> **Specialty Care Transport (SCT)** – The driver must be an EMT or higher; there must be two ALS attendants, and the ambulance must be licensed at the ALS level. An ALS-credentialed paramedic requires additional training. If the patient's care is outside the scope of practice of an SCT-credentialed paramedic, the first of the two additional clinicians must be either a nurse or a physician with critical care experience. The second

[8] See Medicaid Transmittal PT 10-08 (October 17, 2007).

clinician may be either an SCT-credentialed paramedic or a paramedic who has been oriented to specialty care transports. If the patient's care is within the scope of practice of the SCT-credentialed paramedic, the first clinician may be either a nurse with critical care expertise or the SCT paramedic, and the second clinician may be either a CRT or a paramedic oriented to specialty care transports.

Neonatal Transports – Licensed neonatal commercial ambulances are specialized ambulances that are staffed and equipped to transport critically-ill newborns from their hospital of birth to a tertiary care facility. Ground transport of critically-ill newborns may be carried out only in a licensed neonatal ambulance.

Patient transfers between hospitals by commercial helicopter are covered by the NEMT Program when the service for which the patient is being transferred is not available at the sending facility, the receiving facility is the closest appropriate provider, the transfer is not for the convenience or preference of the patient or medical provider, and use of ground ambulance transport can be reasonably expected to place the patient's health in further jeopardy.[9, 10]

FY 2022 jurisdictional reporting shows that the Maryland NEMT Program conducted ambulance transports to and from all destination types (community and interfacility) as indicated below:

Basic Life Support Ambulance	25,474
Advanced Life Support	1,336
Specialty Care Transport	493
Neonatal Transport	8
Helicopter	424
Total for FY22	27,735

Hospital Interfacility Patient Transfer Workflow

Ground Ambulance Transport. During normal business hours, a hospital typically contacts the jurisdictional MA Transportation Program for its location to obtain pre-authorization for the transport of the patient from the hospital to another destination. Required documentation including a signed Physician's Certification form and clinical information (i.e., History and Physical or Discharge Summary) is sent to the jurisdictional MA Transportation Program. The jurisdictional MA Transportation Program verifies patient eligibility, medical necessity (the medical condition of the patient justifies the use of the ambulance level requested) and that the

[9] PT 17-23. Maryland Medicaid Reimbursement for Rotary Wing Air Ambulance Transportation after October 1, 2022. September 21, 2022. General Transmittal No. 32

[10] PT 18-23. Summary of Air Ambulance Use, Provider Enrollment, Reimbursement and Policy. September 21, 2022. General Transmittal No. 33.

patient will be transferred to the closest appropriate hospital for care and treatment not available at the sending hospital. Transports provided by 9-1-1 ambulances are not covered under the NEMT Program.[11] Approved transports are referred to the contracted commercial ambulance service. At the point of transfer and handoff at the sending facility, the commercial ambulance company assumes responsibility for transporting the patient from the hospital to the identified destination.

After normal business hours (i.e., evenings, weekends, and State holidays), the hospital arranges transportation services directly with the commercial ambulance company, which then submits the required medical documentation for retrospective review to the jurisdictional MA Transportation Program the next business day. Though most hospitals have contracts with at least one commercial ambulance service for patient transports, the use of an ambulance service not contracted with the NEMT Program is not a covered service. Trips that are found not to meet Medicaid criteria may be the financial responsibility of the requestor or the ambulance service depending on their contractual relationship. If medical necessity and eligibility requirements are not met, the Medicaid patient may not be billed for the transport by any Maryland Medicaid provider.

Helicopter Transport. Unlike patient transfers by ground ambulance, transfers by commercial helicopter do not need pre-authorization by jurisdictional MA Transportation programs, and there are no jurisdictional contracts with commercial helicopter services. These authorizations are handled by MDH's designee and are retrospectively reviewed and authorized by its Utilization Control Agent (UCA), Telligen, Inc., to determine if all use criteria are met as outlined in MDH MA policy directives.

NEMT Reimbursement

Ground ambulance. There are currently no standardized rates in Maryland for NEMT ambulance transportation; rates paid to commercial ambulance services under contracts with jurisdictional MA Transportation programs vary by jurisdiction and are determined by the jurisdictional procurement process in compliance with State and federal regulation. Contractual provisions and reimbursement rates vary widely among jurisdictions. The range of reimbursement rates is shown below.

BLS	ALS	SCT
$120 – 360	$235 – 655	$400 – 999

Further, if a jurisdiction has contracted with more than one commercial ambulance service, reimbursement rates for the two companies may differ, as illustrated below by the rates paid by the same county to two different ambulance services. There are justifiable reasons for different payment rates for the same service within the same jurisdiction. For example: One ambulance vendor provides transportation to, and maintains a license in, a neighboring state or district. Licensure in multiple states and districts has additional financial implications to the ambulance service. Another example of acceptable difference is when one provider is strictly committed to

[11] Transports delivered in response to 9-1-1 are reimbursed directly to EMS providers as a carved out service.

provision of services only during business hours as opposed to the ambulance service that maintains staffing around the clock (i.e., 24/7/365) for discharges and interfacility transfers.

County A	BLS	ALS
Ambulance Service #1	$240	$350
Ambulance Service #2	$360	$655

NEMT reimbursement rates in effect in 2019 in other states are displayed below; Pennsylvania's reimbursement rates will increase in 2023 as shown. It is important to note that the NEMT models used in these states differ from Maryland's current NEMT grant model in that these rates are often set by the NEMT broker contracted with the state. Maryland's commercial ambulance companies reported to MDH that if Maryland's NEMT program used the rates from neighboring states to establish its rates, this methodology would lead to network inadequacy in Maryland, as those broker-set rates do not cover vendor operational costs.

Non-Emergency Ambulance Rates by State - 2019						
State	BLS Rate	ALS Rate		State	BLS Rate	ALS Rate
Alabama	$70.00	$165.00		Montana	$135.62	$162.74
Alaska	$233.97	$280.76		Nebraska	$138.93	$347.34
Arizona	$315.85	$408.07		Nevada	$171.71	$219.73
Arkansas	$183.86	$240.46		New Hampshire	$145.00	$175.00
California	$107.16	$107.16		New Jersey	$58.00	$58.00
Colorado	$116.25	$169.65		New Mexico	$139.33	$139.33
Connecticut	$167.00	$200.40		New York*	$164.70	$217.24
Delaware	$35.00	$35.00		North Carolina	$70.75	$70.75
Florida	$136.00	$190.00		North Dakota	$279.44	$335.33
Georgia	$159.82	$255.72		Ohio	$82.14	$85.87
Hawaii	$204.74	$245.70		Oklahoma	$178.46	$214.15
Idaho	$202.12	$242.55		Oregon	$144.91	$139.87
Illinois*	$116.02	$195.71		Pennsylvania	$325.00	$400.00
Indiana	$95.84	$95.84		Rhode Island	$147.67	$177.20
Iowa	$84.67	$101.60		South Carolina	$126.82	$158.96
Kansas	$40.00	$40.00		South Dakota	$206.57	$250.97
Kentucky	$60.00	$60.00		Tennessee	n/a	n/a
Louisiana*	$165.96	$165.96		Texas	$186.00	$186.00
Maine	$144.11	$172.93		Utah	$772.00	$772.00
Maryland	n/a	n/a		Vermont	$181.36	$217.63
Massachusetts	$147.67	$177.20		Virginia	n/a	n/a
Michigan	$126.38	$230.26		Washington	$115.34	$168.43
Minnesota	$229.81	$275.79		West Virginia	$90.00	$377.50
Mississippi	$233.38	$277.14		Wisconsin	$94.90	$113.88
Missouri	$104.06	$169.71		Wyoming	$157.22	$188.66
*Illinois, Louisiana, and New York set their rates either by region or by county. Table reflects a statewide average.						
Source: 2019 AAA State Medicaid Rate Survey, except as noted below						
**Pennsylvania rates are effective as of 1-1-2023						
***Rhode Island rates were increased in August 2019						

Helicopter/Air Ambulance. In Maryland, NEMT reimbursement for patient transfer by helicopter is $1,500 (one way), plus $20/per mile.

Challenges with Maryland's NEMT Program

Existing challenges with the hospital interfacility ambulance transport of Medicaid patients under Maryland's NEMT Program include the following.

- The contracts that each jurisdictional MA Transportation program awards to specific ground ambulance companies may limit the availability of ambulance transport services that could be otherwise be provided by companies that did not to submit a proposal for contract consideration or were not awarded a contract, and may limit business opportunities available to smaller companies.

- There is a cumbersome and time-consuming process to obtain Medicaid authorization for transfer of a patient from one hospital to another medical facility or transport of the discharged patient to another destination, e.g., skilled nursing facility or home.

- MDH provides ongoing training and technical assistance on its policies and processes. Prior to the COVID-19 pandemic, every member of the jurisdictional MA Transportation program received required in-person training from MDH. Currently, technical assistance and training is provided to each jurisdiction's grant manager during the NEMT program's regularly scheduled meetings with its grantees and upon request. However, there is some variability in the Medicaid authorization processes among jurisdictions, and the expertise of transportation program personnel varies among the programs in each jurisdiction.

- Due to these variations, hospital systems with facilities located in different jurisdictions reported having challenges with implementing standard business practices and training for their hospital personnel responsible for arranging these transfers.

- There is confusion whether the NEMT transport benefit is uniformly available throughout the state for critical patients who need time-sensitive care.

- After Medicaid authorization to transport the patient is obtained, there have been reports of lengthy delays for an ambulance to arrive to pick-up the patient from the hospital. Patient pick-up delays for non-time sensitive urgent transportation requests have exceeded 24 hours after authorization in certain instances. Patient safety and quality can be compromised as patients await transfer.

- Under the Emergency Medical Treatment and Active Labor Act (EMTALA), hospitals must continue to monitor and care for patients awaiting transfer which puts additional demands on hospital staff. Delays in transport can also be the result of patients receiving treatment at the time the ambulance arrives for pick-up, as ambulances must wait until treatment is completed and the patient is ready for transport.

- Patient equity issues are raised because there is a perception that interfacility transfer of Medicaid patients is significantly slower than interfacility transfer of patients with commercial insurance coverage. Inherently, compliance with insurance requirements may cause additional time between decision to transfer and transport.

- The combination of cumbersome processes and delayed patient pick-up reduces hospital bed availability for emergency patients and patients needing hospital admission.

To mitigate the impact of these challenges, hospitals have resorted to arranging ground ambulance patient transfers directly with commercial ambulance companies. In doing so, hospitals must bear the cost of the ground ambulance transport, since the transport was not arranged with an NEMT participating vendor or pre-authorized by Medicaid. In the case of helicopter transport, although no pre-authorization is required, reimbursement for transfer by helicopter may be retrospectively denied for failing to meet Medicaid's criteria. In either case, the hospital pays for the transport, as the Medicaid participant may not be billed. Hospitals report bearing a substantial financial burden associated with these transfers.

During the COVID Omicron surge in January 2022, Maryland Medicaid implemented temporary provisions to expedite the transfer and discharge of patients. Initially, hospitals statewide were authorized to arrange directly for ambulance transport with commercial ambulances using the after-hours interfacility transfer policy.[12] This temporary statewide provision ended on February 8, 2022, and subsequently remained in effect only for hospitals located in Baltimore City, due to the high concentration of major medical institutions operating in this jurisdiction.[13]

The challenges with the NEMT Program were well-known and pre-dated COVID. In 2018, MDH engaged a contractor to conduct a diagnostic assessment to analyze administrative aspects of MDH's Medicaid program and recommend business process and organization changes to improve the program.[14] The purpose of the assessment was to identify areas for Medicaid program improvement to operate more effectively and efficiently, and reduce administrative burdens and examined several Medicaid programs, including NEMT.

Specific to NEMT, the diagnostic assessment determined that administration of the NEMT program was one of the most costly programs in the nation, and the model used in Maryland

[12] Memo issued by John Pelton, Acting Chief, Division of Community Support, on January 21, 2022.

[13] Memo issued by John Pelton, Acting Chief, Division of Community Support, on February 8, 2022.

[14] Public Consulting Group. Op cit.

differed from how NEMT has most recently been administered in many other states.[15] Of states using a similar administrative model, Maryland's NEMT Program had the second-highest NEMT utilization rate, ranked second in overall NEMT expenditures and third in NEMT cost-per transport. The assessment concluded that MDH should explore other options to deliver NEMT services to Medicaid participants who qualify for NEMT.

Future NEMT Model – Administrative Services Organization

In early September 2022, MDH issued an RFP for a new approach for the NEMT program. The new approach will establish an Administrative Services Organization (ASO) model for the NEMT program. Proposals must be submitted by December 22, 2022 with an anticipated award date in early Spring 2023.

The ASO will be a single entity that will contract with Maryland Medicaid to provide administrative services to the NEMT Program, instead of 24 separate jurisdictional MA Transportation programs. The ASO will be responsible for the daily operations of the NEMT Program throughout the state, compliance with federal mandates, utilization control reviews, and application of standardized and consistent quality metrics. The ASO model is designed to bring uniformity to Medicaid's NEMT program, improve quality and access, increase program efficiency, and be more cost-efficient.

The new ASO model will have one uniform statewide process for requesting and arranging transportation.

- The ASO will serve as Medicaid's single point of entry ("no wrong door)," instead of call centers being operated in each jurisdiction, with dedicated toll-free telephone lines for each stakeholder type (e.g., participants, hospitals, transportation vendors, outpatient medical providers, and inpatient subacute facilities).
- There will be a dedicated toll-free telephone line that will operate around the clock (i.e., 24/7/365) for use by acute care hospitals to arrange for transport of urgent and clinically time-sensitive patients to a higher level of care and another separate dedicated toll-free telephone line to arrange for patient discharge.
- Determinations of patient eligibility, medical necessity, and appropriateness of transfer will still be completed prior to authorization and patient transfer. However, ASO call center personnel that screen hospital requests will have specified medical training, which should aid in expediting these determinations.
- Call center staffing must include a clinical oversight team to review and provide guidance on medical necessity and appropriate transport mode. Clinical staff may apply policy or procedure based on acuity/clinical need to upgrade the transport. A certified Emergency Medical Responder (or higher level of EMS) must be on each call shift. A critical care provider with emergency transport experience must be available 6 am – 6 pm. Examples

[15] While Maryland used an in-house management model to administer the NEMT program and contracted with local jurisdictions, the most common administrative model in other states was either a Transportation Broker model or delegation of the function to Managed Care Organizations.

of these types of personnel are Critical Care RN, Critical Care Paramedic, Flight Paramedic Certified, or Physician.

For hospital interfacility transfers, the ASO is to arrange for the ambulance provider to be at the sending facility within 90 minutes of request, although that timeframe may be extended to 3 hours for transfer to inpatient psychiatric facilities. Confirmation of transport arrangements is to be made within 30 minutes of the call from the sending facility. High acuity patients requiring helicopter transport will continue to be handled by Medicaid's Utilization Contract Agent and not the ASO for at least the first two years after contract implementation.

For a hospital discharge to a lower level of care, hospitals should pre-schedule the patient transport at least 24 hours in advance. For certain discharges, however, including discharge of a patient from the ED to a nursing facility, the ambulance should pick-up the patient as soon as possible, preferably within three hours of the request.

The ASO must meet ongoing performance standards, e.g., specified time limits for answering and processing of calls for transport and tracking and responding to complaints regarding transportation providers. The ASO will monitor performance and safety standards for transportation vendors that will be specified in the transportation provider agreements with Medicaid. The ASO may suspend or terminate use of providers that do not meet safety and performance standards or Medicaid's specific conditions of participation, per COMAR and the Maryland Medicaid Provider Agreement.

Ambulance Reimbursement under the ASO Model

In advance of and under the ASO model, Maryland Medicaid will establish a statewide reimbursement rate and fee schedule for commercial ambulance transports, and all levels of care, that will include a base rate (plus a rural differential), mileage, and an attendant rate (for wheelchair and ambulatory transports). Maryland Medicaid, not its ASO, will contract directly with commercial ambulance service providers for transport services. Commercial ambulance services (and other types of transportation providers) will enroll as Medicaid providers and will bill Maryland Medicaid directly for the participant transports.

Medicaid is currently working with The Hilltop Institute at the University of Maryland, Baltimore County to determine the future rates for the NEMT Program. Hilltop is currently reviewing NEMT rates in effect in neighboring states, FY21 in-state data, and current Medicare rates.

ASO Model Implementation and Roll-out

Implementation of the ASO model as it pertains to transportation will begin in 2024. Following an initial 12 months preparation and planning period, implementation of the ASO model throughout the state will occur in several phases.

- Operations & Maintenance Phase 1 – The initial transition period for NEMT services from the grant model to the ASO model will begin approximately 12 months after the contract award and run for a maximum of 18 months. Phase 1 implementation will

involve, at a minimum, the nine (9) jurisdictions that represent more than 50% of the state's population and more than 70% of current MA enrollment (approximately 1.2 million Medicaid participants of the state's 1.7 million Medicaid population).[16] Phase 1 jurisdictions will move to the new ASO model at staggered 2-4 week intervals. The jurisdictions, shown in order of the likely implementation sequence, are shown below.

  - Montgomery County – 4 weeks to implement
  - Allegany & Garrett Counties – 2 weeks to implement
  - Baltimore City – 4 weeks to implement
  - Prince George's County – 4 weeks to implement
  - Frederick County – 2 weeks to implement
  - Baltimore County – 4 weeks to implement
  - Washington County – 2 weeks to implement
  - Wicomico County –2 weeks to implement

- Operations & Maintenance Phase 2 – Over a four-month period, the ASO model will be implemented in the remaining jurisdictions that were not part of the Phase 1 implementation. Phase 2 will be completed following two months of successful operation in all 24 jurisdictions.

- Operations & Maintenance Phase 3 – the ASO model will operate statewide for a minimum three-year period, with an option for an additional two years under the contract. In this final phase, the ASO will assume responsibility for arranging for helicopter transports under the NEMT program.

Study Recommendations

Statewide implementation of the new ASO model for NEMT transportation in Maryland has the potential to solve certain challenges and address many of the concerns associated with the grant model that has been in use in Maryland for nearly 30 years.

1. As MDH moves forward with implementation of the new model, MDH should create a forum and hold regular meetings (e.g., monthly) to share information on the specifics of the ASO implementation program roll-out and to provide stakeholders the opportunity to raise and discuss questions and concerns. Stakeholder membership should include acute care hospitals and commercial ambulance services.

2. Hospitals and commercial ambulance services reported that patient transfers occur much more quickly when hospitals are able to arrange for transfers directly with commercial ambulance companies, instead of hospitals needing pre-authorization for the transport. The new ASO model should account for the efficiencies that result in arranging for transfers in this expedited manner.

[16] Enrollment figures are as of November 2022.

3. MDH should consider permitting retrospective authorization of certain patient transfers, e.g., transfer by hospital-based ambulance transport services that provide interfacility transport services for critical care patients between hospitals in the same hospital system.

4. In determining the appropriateness of patient transfers between health facilities, Medicaid should be mindful of existing referral patterns and patient flow among facilities within the same health system. The Health Services Cost Review Commission (HSCRC) sets hospital rates and funding, and the NEMT Program should consider the hospital payment environment created under the All-Payer model and the Maryland Medicare Waiver, in determinations of the appropriateness of interfacility patient transfers.

5. MDH should consider continuity of care needs in approval of transfers of post-operative patients. Standards of care considerations generally indicate that the patient should be returned to the surgical center where they were discharged from. MDH should consider adding this factor to determinations of appropriate clinical destinations for certain patient populations.

6. As MDH works to determine a uniform statewide rate that will be paid to commercial ambulance providers for interfacility transfer, it should carefully consider the financial impact on the business model of commercial services that have functioned under the grant model for many years. Rates that are set too low may fail to attract a sufficient number or type of ambulance services to provide NEMT services through the state.