



**Eliminating the Medicaid Nonemergency Medical Transportation Benefit
Could Increase Ambulance Costs:
The Medicare Experience**

Congress directed Medicare Payment Advisory Commission (MedPAC) to conduct a study on the appropriateness of three, temporary, additional payments to Medicare ambulance payments but in order to understand the ambulance market MedPAC expanded their study further. The findings appeared in the June 2013 *Report to the Congress* (attached). The HHS Office of Inspector General has also released a report on *Utilization of Medicare Ambulance Transports* (attached).

MedPAC found nearly half of all ambulance claims were for nonemergency transportation with trips to dialysis facilities leading growth in the benefit, with a rate of change that is twice all other transportation claims.

MedPAC Summary Table

	Number of Claims in 2011	Share of Claims in 2011	% Change, 2007-2011
Emergency ground ambulance	8,316,215	54.6%	9.9%
Nonemergency ground ambulance	6,722,609	44.1%	9.6%
Transports to/from dialysis facilities	2,334,188	15%	20%

The OIG found similar results with nonemergency transportation leading benefit growth:

OIG Summary Table

	2002	2011	% Change, 2002-2011
All Medicare Ambulance Transports	8.7 million	14.8 million	69%
Basic Life Support Nonemergency Transports	3.5 million	6.7 million	94%
Beneficiaries Receiving Transportation	3.6 million	4.8 million	34%*
Transports to independent dialysis facilities	753,741	2,780,323	269%
Dialysis Transports as percent of all transports	9%	19%	

*Number of Medicare FFS beneficiaries only increased 7%

Ambulance Transports: Growth is Driven by Nonemergency Rides

- There is no clear, national guidance on medical necessity of Medicare nonemergency

ambulance transportation.

- The OIG found the number of ambulance transports reimbursed by Medicare Part B has increased by 69% from 2002 to 2011 -- from 8.7 million rides in 2002 to 14.8 million transports in 2011. (OIG)
- From 2002 to 2011, Medicare Part B payments for ambulance transports increased 130 percent, from \$2.0 billion to \$4.5 billion. (OIG)
- Nationally, basic life support (BLS) nonemergency transports increased 94% from 2002 to 2011(OIG) and accounted for 52% of the overall growth.

Dialysis Related Ambulance Transports, 19% of All Transports

- MedPAC found that in the five-year period between 2007 and 2011, the volume of dialysis facility transports increased 20 percent—more than twice the rate of all other transports combined.
- In 2011, ambulance transports to and from dialysis facilities accounted for nearly \$700 million in Medicare spending, or approximately 13 percent of Medicare ambulance spending.
- The number of transports to or from independent dialysis facilities increased 269%. (OIG)
 - They represented 9 percent of all transports in 2002 and 19 percent of all transports in 2011.
- Number of dialysis related transports: 2,780,323 (OIG), or 2,334,188 (MedPAC).
- 97% of dialysis facility transports were BLS NEMT (MedPAC)

Ambulance Transports Per Dialysis Beneficiary, a Few Users Accounted for 3.7 Million Ambulance Claims (to/from any type of facility)

- Number of ESRD beneficiaries who claimed transport: 193,450 or 53% (MedPAC)
- MedPAC found that dialysis beneficiaries who were ambulance users in 2011 had an average of 20 ambulance transports per year.
 - This use was concentrated, as 5 percent of ambulance users had over 130 dialysis-related transports per year.
- The number of claims for transports to/from dialysis facilities in 2011 was 2,334,188 or 15% of all ambulance transports.

Spending on Dialysis Related Ambulance Transports Per Beneficiary: More Than the Cost of the Dialysis Service

- Approximate cost per transport to/from dialysis facility of \$251.70 using OIG figures or \$299.90 using MedPAC claims figures.
 - OIG has a figure of \$289 average allowed amount per transport for all BLS nonemergency.
 - During a MedPAC commission meeting, staff reported the average dialysis facility ambulance transport cost \$450, twice the cost of the dialysis itself.

Note: Differences in the data can be attributed in part to different data sources used by MedPAC and OIG:

- MedPAC analyzed Medicare carrier and outpatient claims files for 2007 and 2011.
- OIG used CMS's Physician/Supplier Part B claims files from 2002 to 2011. They analyzed

claims billed under the procedure codes A0425–A0429 and A0433–A0434. They did not review transports billed by institution-based ambulance suppliers. They analyzed only transports for which mileage was also billed.