# RESEARCHING THE HEALTH CARE BENEFITS OF MEDICARE TRANSPORTATION

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By law, patient transportation to Medicare-funded medical services can only be provided by ambulances. However, data indicate that the Medicare program is reimbursing clients and ambulance operators for many trips that do not qualify as medical emergencies, and thus could be provided by non-ambulance transportation. Legislative changes could allow alternative services and, at the same time, save millions of dollars for the Medicare program and provide much needed funding for community transportation services.

In most human service programs, transportation is considered as a means of facilitating the primary service delivered by the program. Actually, transportation is often a critical component of service delivery, since without access, many eligible beneficiaries are simply left out of the program.

The Medicare program, administered by the Centers for Medicare and Medicaid Services (CMS) of the U. S. Department of Health and Human Services (DHHS) is one of the key health care programs in this country. Medicare has two distinct components: hospital insurance (known as “Part A”) and supplemental medical insurance (Part B). Both programs provide insurance protection for covered services for persons age 65 or older, certain disabled persons and to individuals with chronic renal disease who elect this coverage.

Transportation costs are allowable expenses under Medicare Part B, but serious restrictions apply. By statute and regulation, Medicare will provide reimbursement only for transportation services provided by ambulances. Furthermore, the use of an ambulance is limited to very severe medical situations such as a life-threatening emergency, or a bed-ridden patient.

The Community Transportation Association of America has, on numerous occasions, pointed out that these restrictions unnecessarily increase transportation costs and limit access to necessary health care. In July 2000, the U.S. General Accounting Office published a report, Rural Ambulances: Medicare Fee Schedule Payments Could be Better Targeted, at the behest of Senator Majority Leader Tom Daschle (D-S.D.), which found that more than 50 percent of rural Medicare ambulance trips in the states studied were actually of a non-emergency nature — even though the program forbids such trips. In fact, emergency medical technicians across the country — in cities and small towns alike — are well aware of the number of senior citizens requesting and taking ambulances for non-emergency medical services. Association members have made this issue one of their top legislative priorities.

Westat (of Rockville, Maryland) is assisting the Association with a multi-phase scientific examination of the value of investing public health funds for transportation services. Results at the end of the study are expected to include a toolkit for health care and transportation professionals that specifies service options and monetary benefits, as well as a database of successful transportation services. The initial phase of the study, including literature reviews and case studies, is intended to develop information for

detailed exploration in a national study of ways to improve the cost-effectiveness of delivering health care services by improving access through community transportation services. The Medicare program will be one of the federal programs examined in this study.

## "Emergency" vs. "Non-emergency" Medicare Trips

Previous research, including the aforementioned GAO report, has questioned the emergency nature of some Medicare transportation now being provided. This is particularly true for regularly-scheduled dialysis trips for End-Stage Renal Disease. Dialysis patients are particularly likely to have a critical need for transportation support to access life-extending dialysis treatments.

Such transportation problems are particularly severe in rural areas, which often lack local dialysis facilities and may lack long-distance transportation options to urban dialysis treatment centers. Medicare patients seeking dialysis transportation via ambulance must present a written order from their doctor stating that any other form of transportation would be harmful to their health. Of course, in some parts of the country, there may be no other means of transportation except by ambulance.

Since missing dialysis treatments can lead to serious medical problems, including death, it seems that some doctors are doing whatever it takes to get their patients to dialysis, even if this entails bending some regulatory definitions of what entails an emergency.

To-date, Westat's research indicates that there are many non-emergent Medicare patients arriving at hospitals via ambulance. GAO has estimated that almost one-half of Medicare ambulance trips are not taken for emergency medical care. A comprehensive 1999 national study of hospital visits shows that almost 14 percent of Medicare patients arriving in ambulances do not require medical treatment for one or more hours after arrival at the hospital, which casts doubt on the emergency nature of those trips.

In 1997, the Health Care Financing Administration (now the Centers for Medicare and Medicaid Services, or CMS) issued a Proposed Rule on Ambulance Services for Medicare Transportation that essentially proposed to more strictly enforce the existing emergency only and ambulance only requirements. The Proposed Rule was not implemented, however, perhaps because some people recognized that stricter enforcement of the existing rule would only exacerbate the problem.

## Potential Cost Savings

With Medicare ambulance transportation costs now in excess of 2.5 billion dollars annually, the Medicare legislation's insistence on ambulance transportation is driving the program's costs skyward. No matter which figure is accepted for the amount of non-emergency Medicare transportation provided by ambulances — the GAO figure of 50 percent, or a more conservative figure of 10 percent or more — the amount of money involved is quite large: A range of $250 million to $1.25 billion transportation dollars.

In 1998, Medicare paid for nearly 4.8 million ambulance trips at an average cost of almost $525 per trip. The average one-way trip cost for rural public transportation providers is less than $10, meaning that you could get more than 50 rural public transportation trips for the cost of one Medicare-reimbursed

ambulance trip. If the non-emergent Medicare trips that are currently being provided via ambulance could be provided with community transit vehicles, massive cost savings could result. These savings could be invested in more transportation services, or more medical services, or both.

## Other Questionable Expenditures

In addition to driving up transportation costs, the Medicare legislation's insistence on transportation provided for medical emergencies is also contributing to a growing health care crisis. Emergency rooms are in short supply and provide costly care. Emergency rooms are becoming increasingly over-burdened as their overall number of decreases with hospital closings and the number of annual emergency room visits increases.

This problem is especially serious in rural areas, where the number of rural emergency rooms decreased by 11 percent from 1990 to 1999, but the volume of patients served increased 24 percent during the same period. Non-emergent Medicare patients arriving via ambulance require emergency staff to diagnose and admit, which makes an unnecessary contribution to this problem of emergency room over-crowding.

Shifting non-emergent Medicare patients to community and public transportation services would allow them to bypass the emergency room and go directly to a physician, thus providing some measure of relief to overburdened emergency rooms. Furthermore, it has been reported that the average charge for a non-urgent emergency room visit is about 2.3 time more than a standard visit to a doctor's office. Thus, there is a real potential here for providing great savings in unnecessary costs of emergency room treatment.