Advisory Bulletin

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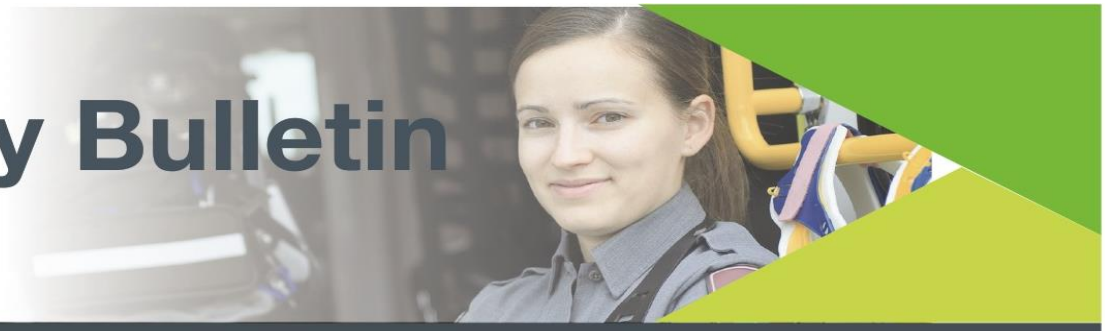

Important Industry Information for our Valued Customers

Find Cash for Your Community Paramedicine Program

Having been involved in the Community Paramedicine (CP) efforts here in Ohio over the last few years as well as most recently speaking during a local residency program, it became very apparent to me that this program will not gain traction unless we think about funding from a completely different angle.

Time and time again we have discussed and reviewed different funding models being utilized today. The majority of CP programs out there are either self-funded, funded from the parent municipal government, funded through grants, or jointly with area patient care facilities. Sooner or later the wells will run dry. There are just too many costs associated with implementing and maintaining a scalable CP program.

Last week while listening to speaker after speaker discuss the barriers they are experiencing in launching a CP pilot program I kept thinking of one thing. The question is not "Where will the money come from?" It is "How do I build my case?"

In 2009, over 21 million patients arrived to the ER by ambulance. Forty five percent of those patients were not admitted to the hospital. More importantly, 15 percent of those patients could have been treated elsewhere.
The problem? Emergency ambulance services are not reimbursed unless the patient is transported to a hospital. This alone costs Medicare over $597 million. This is where you need to build your case. This is where your money to fund your CP program must ultimately originate.

I'll briefly visit the CP funding model and then run through an example. Let's suspend reality for a minute and assume half of $600 million is sitting in a vault ready to be shared 50/50 with hospitals that can show they can save Medicare by reducing re-admits. If they choose not to reduce the re-admits, the hospitals with get penalized. Ultimately Medicare will see a net savings by either a reduction in re-admits or penalty revenue. So it would behoove a hospital to work pro-actively to reduce re-admits. They can only do this with the help of area emergency ambulance providers who, after all, are the gatekeepers to the ER. So the hospitals form an organization (ACO) with the help of area their area EMS providers and contract with Medicare to reduce re-admits. Medicare pays the estimated savings to the ACO who then distributes a portion back to their partner EMS provider.

Let's take a look at one example. Last year Acme Hospital had 500 re-admits returning within a 24-hour period. With an average ER visit of $1,000, those re-admits cost Medicare $500,000. Acme Hospital partners with ABC EMS and determines through various data points that 250 patients did not necessarily need to call 911 again if they had proper care in their homes. Medicare stands to save $250,000 if Acme Hospital reduces those transports and will gladly split those savings with Acme ($125,000). Acme will then turn around and utilize a portion of those dollars to contract with ABC EMS to administer a CP program for its patients and thus ensure the reduction in re-admits.

So where do you fit into to all of this? Well you are ABC EMS of course. But you can only accomplish this by building your case. Start gathering your data. Who are your frequent fliers? What are their reasons for dispatch? Read their narratives; is there anything that stands out? Are these calls preventable?

Finally, the hospitals hold the key to the financial success of this program. Begin your discussions with your area hospitals. Have they begun to think about a CP program? Have they formed their ACO? Is there even a case to be made? Once you have your data together and can make a good case to save your payers money, start the conversations and present your case.