

Managed Care Operations Memorandum
General Operations
MCOPS Memo # 12/2018-024

Date: December 20, 2018

Subject: HealthChoices Physical Health Managed Care Organization (PH-MCO) Responsibility to Pay for Licensed Emergency Medical Agency Services When Emergency Medical Transportation is Not Provided (“Treat-No Transport”)

To: Physical Health HealthChoices Managed Care Organizations (PH-MCOs) – Statewide

From: Laurie Rock, Director, Bureau of Managed Care Operations, Office of Medical Assistance Programs

Purpose:

To inform HealthChoices PH-MCOs of their obligations pursuant to the act of October 24, 2018 (P.L. 681 No 103)(Act 103), which provides for payment to emergency medical services agencies in circumstances in which the member is NOT also provided with emergency transportation (“Treat-No Transport”).

Background:

Act 103 provides that, effective December 23, 2018, all managed care plans, including HealthChoices PH-MCOs, are prohibited from denying claims by emergency medical services agencies solely because the service did not include transportation.

Discussion:

The language of Act 103 that addresses the newly established obligations for managed care plans amends Section 2116 of the Insurance Company Law and is reproduced below for your reference (language being deleted is shown in brackets [], language being added is shown in **bold**):

Section 1. Section 2116 of the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, is amended to read:

Section 2116. *Emergency Services.* -- **(a)** *If an enrollee seeks emergency services and the emergency health care provider determines that emergency services are necessary, the emergency health care provider shall initiate necessary intervention to evaluate and, if necessary, stabilize the condition of the enrollee without seeking or receiving authorization from the managed care plan. [The managed care plan shall pay all reasonably necessary costs associated with the emergency services provided during the period of the emergency.] **The managed care plan shall pay all reasonably necessary costs associated with emergency services provided during the period of emergency, subject to all copayments, coinsurances or deductibles.** When processing a reimbursement claim for emergency services, a managed care plan shall consider both the presenting symptoms and the services provided. The emergency health care provider shall notify the enrollee's managed care plan of the provision of emergency services and the condition of the enrollee. If an enrollee's condition has stabilized and the enrollee can be transported without suffering detrimental consequences or aggravating the enrollee's condition, the enrollee may be relocated to another facility to receive continued care and treatment as necessary.*

(b) *For emergency services rendered by a licensed emergency medical services agency, as defined in 35 Pa.C.S. § 8103 (relating to definitions), that has the ability to transport patients or is providing and billing for emergency services under an agreement with an emergency medical services agency that has that ability, the managed care plan may not deny a claim for payment solely because the enrollee did not require transport or refused to be transported.*

(c) *For emergency services provided to medical assistance participants, the following provisions shall apply:*

(1) *The provisions of subsection (b) shall apply to the same services provided to medical assistance participants under Article IV of the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code.*

(2) *Payment for the services shall be in accordance with the current managed care contracted rates.*

(3) *Sufficient funds shall be appropriated each fiscal year for payment of the services.*

(d) *The provisions of subsection (b) shall apply to all group and individual major medical health insurance policies issued by a licensed health insurer.*

Effective immediately, for all claims submitted for dates of service on or after October 24, 2018, HealthChoices PH-MCOs shall not deny claims for such emergency services provided to their members by *"a licensed emergency medical services agency, as defined in [35 Pa.C.S. § 8103](#) (relating to definitions), that has the ability to transport patients or is providing and billing for emergency services under an agreement with an emergency medical services agency that has that ability,"* solely because the member did not require transport or refused to be transported. If any claims for dates of service on or after December 23, 2018, are denied before the PH-MCO is able to implement this requirement, they shall be reprocessed, and if there is no other basis for the denial, paid consistent with existing requirements for claims processing.

The Department of Human Services (DHS) requested its actuarial consultant to complete an analysis of whether a rate change is appropriate as a result of this program change. DHS determined that the rates as presented and agreed upon remain actuarially sound.

Next Steps:

DHS will issue an ad-hoc data collection request in Spring 2019 to gather data related to utilization of this program change and determine whether capitation rates should be changed. If a PH-MCO is not able to implement this requirement by December 23, 2018, it should advise its assigned BMCO Contract Manager of the implementation date.

PH-MCOs should submit any questions regarding this Operations Memorandum to their assigned BMCO Contract Manager.

Obsolete:

This MCO Ops Memo will remain in effect until further notice.

Attachment:

N/A