When it Comes to the Affordable Care Act - Don’t Leave Money on the Table!

By Gary Ludwig, MS, EMT-P

The Patient Protection and Affordable Care Act (PPACA) is here! Passed by Congress, signed into law by President Obama, and affirmed by the United States Supreme Court, it is the law of the land. It is not voluntary! 2,700 pages of law and already 14,000 pages of regulation that has been written point to nothing short of a full-fledged change that is coming to our health care system. It is not voluntary like we saw in the 1990s with managed care organizations attempting to control the cost of healthcare through pathway management models. This is federal law that will mandate change.

Bottom line – chances are the PPACA is going to change the current health care system in the United States as we know it. And since the fire service is the largest provider of emergency medical services in the United States when it comes to health care systems approach, the fire service is in a unique position to stand on the sidelines and watch the parade go by, or jump in and be a leader when it comes to change of the health care system. Matt Zavadsky of the EMS system in Ft. Worth has a better analogy. He says there is a reason why do not see unicorns these days. They missed getting on the Arc when Noah was loading it with animals. Since the majority of what the American fire service does is EMS, we can be tremendously impacted by the PPACA and the changes that are coming. We don’t want the American fire service to be put in the category of a unicorn.

One of the aspects of the PPACA is money! This means providing medical insurance for those that cannot afford it and controlling costs through revenue sharing. Some early models of Medicare Accountable Care Organizations called the Pioneers proved there are some bumps in the road with this new model, but it was only a test run. They will figure it out. However, there were some high points among the Pioneers and Medicare feels it was successful.

More than a third succeeded, during just this first year, in reducing costs, producing cumulative savings of more than $87 million and saving Medicare nearly $33 million. For the 669,000 Medicare patients in the program, costs increased by just 0.3 percent over the course of the year – a much smaller increase than the 0.8 percent experienced by similar Medicare beneficiaries over the same period. Just two Pioneer ACOs lost money, and their losses totaled $4 million.

There were 32 ACOs in the first run and of the 18 that saved money, 13 had a high-enough savings margin that they will split $76 million in profits.

Part of saving money is managing the care of patients before they get too sick and require significant hospitalization and managing the care of patients after they are discharged from the hospital to prevent readmission.

That is where EMS and the fire service can play a role and increase jobs and generate revenue for fire departments.

Companies like AMR are already ramping up for this change and have created a third division for just community paramedics and after-hospital care. They are marketing this as there marketing material
says, “The central focus of the AMR Community Paramedic Specialists (AMR CPS) is the use of a specially trained and credentialed Paramedic to provide out of hospital evaluation and therapy that is tightly integrated with both the acute healthcare system and the patient’s primary care medical home.” They are also buying companies that deliver various types of home health care in an apparent attempt to weave a one-stop, one-solution program.

The fire service already has the system in place to integrate with the health care community to deliver these types of services. Although it may take a regional approach like 23 different fire departments in the greater Phoenix area are working on currently. But our existing systems and strategic geographic deployment puts the fire service is a unique position to offer the solutions that will occur under the PPACA.

So what do fire service leaders need to do? Start educating yourself on how EMS will be impacted by the PPACA and the changes that are coming. Understand how the system is changing and how EMS will be impacted. Begin regional planning with other fire departments to offer solutions to the health care community. Interact and start dialogue with your local hospital CEOs and talk about how you can work together. Don’t forget to the share in the profits.

Get working now before the Arc shuts the door and you miss the boat like the unicorns did.