

Texas EMS Agencies Should Be Part of Texas' Proven Arbitration

Contact Your State Representatives and Senators Today

Background

SB 999, which was introduced in the 2021 Texas Legislature, would prohibit EMS agencies from balance billing for out-of-network emergency services. As a result, EMS agencies would only be able to dispute out-of-network payments by entering into a non-binding mediation with health plans.

Texas EMS agencies want to take the patient out of the middle, and SB 999 must include an arbitration option for Texas EMS agencies to properly dispute inadequate payments made by health plans for the essential services that EMS agencies deliver to Texas communities. Specifically, SB 999 should direct the arbitrator to consider rates established by local governmental bodies. The arbitration tool for physicians in SB 1264 (86th Legislature) has proven that it benefits patients by taking them out of the middle.

Contact your state representatives and senators to tell them why it is critical for SB 999 to give the arbitration tool to EMS agencies.

How to Contact Your Lawmakers

[Click here](#) to view your lawmakers.

Most EMS agencies have personal relationships with their state lawmakers, and you are strongly encouraged to reach out directly to them.

You can also e-mail and contact your state representatives.

TEMSA prepared a sample message and bullet points below. However, you are strongly encouraged to shape this message in your own terms so that it is not a generic form letter that gets lost in the process.

Also, you are encouraged to demonstrate actual data of how much your EMS agency could lose if it lost the ability to properly bill a patient for services.

Sample Message

Dear Representative/Senator:

My (EMS agency) provides emergency medical services to the citizens of (community). I am writing to strongly encourage you to ensure that SB 999 and HB 4115 give EMS agencies the ability to challenge payments made by health plans through an arbitration process.

As written, SB 999 would only give EMS agencies the ability to challenge health plans' payments for our essential services through a non-binding mediation process. The mediation process would be detrimental because EMS agencies would not be able to recoup the full cost of the service from the health plan. If health plans do not pay EMS agencies to cover transports, then local communities will have to either increase taxes or decrease the level of emergency services to account for the payment shortfall.

Fortunately, a proven alternative exists: arbitration. SB 1264 from the 86th Legislature gave physicians the ability to challenge out-of-network payments through an arbitration process, and it has benefitted patients.

EMS agencies want to take patients out of the middle of payment billing disputes, and it is clear that arbitration is the solution for SB 999. In addition, SB 999 should contain language that would direct the arbitrator to consider rates established by local governmental bodies.

Thank you in advance for considering this important request for our community.

Bullet Points

[Click here](#) to view TEMSA's one-pager for lawmakers.

If you would like other ideas to add to your letter, the following bullet points may be helpful.

- We agree with removing the patient from the billing dispute. To ensure that EMS has the adequate resources to respond timely to emergency situations, we need access to fair, impartial billing dispute resolution process.
- We serve our communities to save lives and provide care but there is a cost of readiness to assure there will be an ambulance available to respond when needed.
- Many health plans are not responsive to EMS agencies who wish to join the networks or offer reimbursement far below the cost of providing service.
- EMS is only funded two ways; 1) revenue generated from users of the service and 2) local tax dollars. If user revenue does not cover the cost of providing services, local governmental entities must make up the difference with local tax dollars or reduce services (fewer ambulances, personnel trained at a lower level, longer responses).
- EMS is unique because local governmental entities (municipalities, counties, emergency services districts) have the authority to regulate rates for the EMS agency and **set rates to fund a level of service to meet the needs of the community**. Different jurisdictions manage that process in different ways, but there is always oversight from those accountable to the citizens. EMS is the only health care provider with local rate regulation.
- There are currently two billing resolution processes at TDI for providers: mediation and arbitration.
- The EMS industry does not support Mediation. Mediation favors the health plans because additional information about pricing and payment is not considered and a payment agreement between the provider and the plan **is not** required to be made. This would require local governments to increase taxes to subsidize EMS services. Most EMS agencies in Texas agencies are small operations with few resources to challenge inadequate payments from health plans. Because a payment agreement isn't required, the providers only true remedy is a lawsuit. A health plan can offer intentionally low reimbursement and force the EMS agency to pursue a remedy in court, knowing most agencies will be unable to do so.
- Arbitration provides fair, true billing dispute resolution, with both sides having equal leverage while still keeping the patient out of the middle. Arbitration is only process that requires action by both the provider and the health plan, takes specific data from the provider and the plan into account, and

requires an impartial third party to make a binding decision on payment that adequately compensates EMS providers.

- The EMS industry requests that SB 999 be amended to give EMS access to TDI's arbitration process and require that the arbitrator take into account the rates that by local governmental entities.