



## MEMORANDUM

**TO:** Mayor and Council Members

**FROM:** Dr. Mark Escott, Chief Medical Officer

**DATE:** July 15, 2021

**SUBJECT:** Update regarding OCMO Physician Billing Proposal (Resolution No. 20210520-061)

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The purpose of this memo is to provide an update on Resolution No. [20210520-061](#) which directed the City Manager to return to Council by June 30, 2021, with an update on the pilot payment system and options for incorporating the program and its expansion into upcoming budget cycles, or applying American Rescue Plan (ARP) funds or other appropriate funding sources. Once the pilot program is successfully launched, a plan regarding the acceleration and/or expansion of the program, including the hiring of additional paramedic practitioners and clinical staff will be delivered to Council.

Over the past 18 months the efficacy and utility of having a paramedic practitioner in the field has been shown to help reduce ambulance transports, provide a service to citizens in our underserved areas and assist in educating paramedics in real time on 911 calls. Currently, this service is funded through the General Fund. We are aiming to expand the operating hours by proposing a Physician and Paramedic Practitioner billing model.

Over the course of the past six months the Office of the Chief Medical Officer (OCMO) worked closely with the Budget Office to complete a cost-of-service analysis and establish a fee schedule for services provided by the OCMO. These fees, which are included in the Proposed FY2021-22 Budget ([page 773-775 of the Fee Schedule](#)), represent a fee for service model which will be billed to the patient and/or the patient's insurance carrier. While this new fee schedule is an increase in the charges from the City of Austin, the fees assessed represent a cost savings for our community as compared to ambulance transport and Emergency Department bills. The EMS Department has agreed to assist in Physician and Paramedic Practitioner billing process and has started to train their Billing & Coding staff on how to code these bills and submit a fee

for service on behalf of the OCMO. Given the pending Dispatch Equity and Optimization Study recommendations, the OCMO may consider utilizing a third-party billing service in the future.

The fee for services model will allow the OCMO to offset the cost of service for additional Paramedic Practitioner positions in hopes to expand the service line. Currently the service is provided 30 hours of field response with 24/7 on-call telehealth coverage. Given the volume of calls and patients that could be aided by this service and the revenue collected by the City, OCMO's goal is to have 24 hour field coverage in future budget cycles. Another avenue that will help to increase the return on investment is the ET3 model (Emergency Triage, Treat, and Transport) of service that the City's EMS Department is participating in with the Centers for Medicare and Medicaid Services (CMS). This novel approach to healthcare in the field allows for the EMS service to bill for treating a patient on scene or via telehealth without transport. While this program is administered through CMS, the anticipation is that commercial payers will soon follow.

Given the substantial impact of the COVID-19 pandemic on our community and disparate impact in our low-income and communities of color, it is essential that we increase our ability as a city to provide lower-cost healthcare options to those utilizing the 9-1-1 system. The fee schedule for Physician and Paramedic Practitioner services will be adjusted based upon the ability to pay and will utilize the existing EMS schedule for assessment of this adjustment.

Attachment A offers outlines two scenarios that help demonstrates some of the potential revenue of this program. It is important to note that the proposed codes outlined in the Fee Schedule are structured in the same manner as the CMS system, which is the standard practice for physician billing.

I look forward to the launch of this pilot program and updated Council once fully implemented. Should you have questions, please do not hesitate to contact me at [Mark.Escott@austintexas.gov](mailto:Mark.Escott@austintexas.gov).

cc: Spencer Cronk, City Manager  
Rey Arellano, Assistant City Manager  
Interim Chief Jasper Brown, Austin-Travis County Emergency Medical Services  
Ed Van Eenoo, Chief Financial Officer  
Kerri Lang, Interim Budget Officer

Attachment A – Possible Revenue Generated Utilizing Provider Billing

## Attachment A

### **Possible Revenue Generated Utilizing Provider Billing**

Scenario #1: This typical week projection is based on having 1 OCMO provider (MD, PA or NP) in the field for 40 hours weekly. This amount will fluctuate slightly based on call volume and procedures performed. EMS Physicians will provide field and telehealth services as a portion of their normal duties which will further contribute to revenue beyond the estimate below. The revenue generated will differ from the projected annual billing in both scenarios depending on the rate of collection that billing services is able to obtain.

- I. 25 field evaluations and dispositions
- II. Wound repair x 1
- III. Abscess drainage x1
- IV. Joint reduction x 1
- V. CPR x3 with intubation
- VI. Ultrasound exam x 3

Projected annual billing: \$431,376

Scenario #2: This projection is based on having 1 OCMO provider on call 24 hours daily for field response. This amount will also fluctuate based on the calls and procedures performed. This does not include those low frequency high risk procedures that likely will be performed at least monthly with 24 hour coverage and will increase billable amounts.

Daily Amounts:

- I. 6 telehealth dispositions
- II. 6 on scene dispositions
- III. 1 wound repair
- IV. 1 CPR
- V. 1 ultrasound exam
- VI. Counsel behavior smoking/alcohol 30

Weekly procedures:

- I. 2 Endotracheal intubations
- II. 2 simple thoracostomies
- III. 2 Ventilator Management
- IV. 2 Joint reductions with conscious sedation
- V. Blood product administration
- VI. 5 EKG interpretations

Projected annual billing: \$1,264,030