Managed Care Principles

An Information Paper

ACEP's Emergency Medicine Practice Committee developed the following principles to focus discussion and facilitate emergency physicians' collaboration with managed care entities. The Committee hopes that these principles will be useful as a starting point for dialogue with the managed care community.

1. **Appropriate Emergency Services Provision**

   - All patients should have access to emergency care facilities that are available at all times and that maintain appropriate resources and equipment to care for all emergencies in a routinely accepted manner.
   - Emergency physicians must ensure that appropriate emergency services are provided to all patients who come to the emergency department regardless of the patient's financial status or health plan affiliation. In addition, they must ensure that there is comprehensive geographic coverage of the communities they serve through the emergency medical services (EMS) system. Managed care organizations (MCO) must recognize the need for geographic emergency service coverage and support appropriate utilization of the EMS system, including appropriate access to local hospital EDs and speciality units that may not participate with the health plan or MCO network.
   - Performance measurements for emergency care must be mutually agreed upon by the MCO and the emergency physician.

2. **Patient Education/Advice with Regard to Appropriate Utilization and Access to Emergency Services**

   - Managed care organizations should assume primary responsibility for educating patients with regard to appropriate access to and utilization of emergency care.
   - All patients should be allowed access to emergency care unencumbered by MCO pre-authorization procedures.
   - Managed care organizations should offer education and written information regarding appropriate utilization of emergency services, including when to call 9-1-1 and under what circumstances patients should go directly to the nearest hospital ED.
   - Appropriate after-hours information and advice regarding acute illness and injuries should be readily available by phone, with a qualified physician or advice nurse available to take calls and provide advice regarding the need for immediate medical attention or emergency care.

3. **Payor responsibility and contractual fairness**

   - Direct access to emergency services should be a covered benefit for patients enrolled in health care plans, using the prudent layperson standard for claims adjudication and reimbursement. Managed care organizations have an obligation to promptly reimburse physicians and other providers for these services. Disputes over coverage or payment should be resolved within appropriate time frames through a mutually agreed-upon mechanism among enrollees, providers of service, and MCOs.
   - When a primary health plan subcontracts with other medical groups or other MCOs, the primary health plan should be the ultimate guarantor of payment or be responsible for the financial performance of the subcontracting plans or groups.

- In contracts involving three parties, emergency medical groups should be treated as independent contracting entities, free of influence from hospitals and other third-party relationships, and must be meaningfully involved in any negotiations affecting emergency patients prior to final execution of the contract.
- Emergency departments are essential community services that must have a variety of ancillary resources and capabilities at their disposal. The cost of maintaining and utilizing these resources must be compensated in a manner that ensures their continued availability.
- Emergency physicians should be aware of and consider different reimbursement methodologies, including at-risk contracting and fee for service based on a fee schedule and case-based fee for service reimbursement.
- When a health plan refers an enrollee to the emergency department, the health plan should be responsible for reimbursement for emergency services whether or not the patient meets the prudent layperson standard.

4. **Emergency Medical Screening and Stabilizing Treatment**

- The performance of medical screening examinations and the provision of necessary stabilizing treatment are the legally mandated essential functions of emergency medical practice in the hospital setting.
- By law, the medical screening examination must be performed by a physician or by a qualified health care professional and must include any necessary diagnostic tests, procedures, or consultations necessary to determine the presence or absence of an emergency medical condition. It is inappropriate to deny coverage for these services due to denial of MCO authorization or as a result of a triage examination performed by a triage nurse solely for the purpose of determining priority of care. MCO coverage for these essential functions should be a benefit of health care plans, in accordance with the "prudent layperson" definition of emergency services.[1]

5. **Appropriate Interfacility Transfer**

- Transfer of patients should be limited to situations in which the patient's emergency medical condition has been stabilized within the capabilities and resources of the transferring hospital, or after it has been determined that the medical benefits of transfer outweigh the possible risks.
- The patient or responsible party should be informed of the risks and benefits of transfer, and has a right to consent to or refuse transfer.
- Prior to the transfer, a physician representing the receiving hospital must agree to accept the patient and be responsible for the provision of care.
- By law, when a patient needs a specialized service for stabilization, a hospital without such capability is required to seek transfer of the patient to a hospital that can provide this care. That hospital is required to accept the patient, regardless of the patient's health plan affiliation, provided that it has the available capacity. Health care plans must be prepared to support these specialized care requirements of emergency patients.
- When transfer arrangements are part of a regional plan to provide specialized care for patients, written transfer protocols, acceptable guidelines, interfacility agreements, and repartriation agreements should be in place.

6. **Post-Stabilization Case Management and Continuity of Care**

- Once stabilized, patients may be admitted, transferred, discharged, or kept in the ED until a disposition can be determined. Enrollees of managed care plans have the option of being transferred to a plan-participating hospital as soon as their condition is stabilized or when it is

determined that a higher level of service is needed and that this service is available in the plan-participating hospital.
- Health plans should have a readily available case management system, with access to a qualified physician representative who can discuss and facilitate disposition decisions for plan enrollees and ensure appropriate case management and continuity of care. Following stabilization, emergency physicians should promptly contact the patient's health plan and receive a prompt response from the plan representative. When there is a disagreement about patient management, the attending emergency physician retains management responsibility until a qualified physician representative of the plan with staff privileges can attend and assume further responsibility for the patient's care.

7. **Appropriate Utilization and Stewardship of Resources**

   - Emergency physicians must utilize ancillary services appropriately, in a manner that supports quality, controls costs, and maintains service value. Medical necessity, safety, effectiveness, and cost should all be weighed as factors in medical decision making and should be viewed in the light of available scientific evidence.
   - In the emergency care setting, the emergency physician should focus on the provision of a medical screening examination and necessary stabilizing treatment, recognizing that further care may be coordinated and provided in a managed care setting.

8. **Graduate Medical Education (GME) and Research**

   - MCOs should support GME and medical research activities in all areas of medicine, including the field of emergency medicine. MCOs have an obligation to share the societal costs of basic medical teaching and research with other entities that benefit from advances in medical care and its delivery by qualified providers.

[1]The Access to Emergency Medical Services Act of 1997, HR 815/S 356.

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