
**Using payment to ensure
appropriate access to and
use of hospital emergency
department services**

ONLINE APPENDIX

2-A

**Summary of how proposed
rural and urban policies
would change payment**

**TABLE
2-A1**

Summary of current and alternative ED payment policy options

Type of ED	Number of EDs	Medicare payment (Level 4 ED service)		Change in payment
		Current	MedPAC recommendation	
Rural				
On-campus ED (PPS)	800	\$356	No change	No change
On-campus ED (CAH)	1,300	\$400 (average cost)	No change	No change
Off-campus ED (PPS) (within 35 miles of affiliated on-campus hospital ED)	≈10	\$356	No change	No change
Off-campus ED (CAH) (within 35 miles of affiliated on-campus hospital ED)	<10	\$400 (average cost)	No change	No change
<i>Proposed policy:</i> For hospitals that closed, converted to an ED, and are a certain number of miles or more from other hospitals	Two rural hospitals that were 35+ miles from another hospital closed since 2010, and 130 hospitals operating 35+ miles from other hospitals had less than 1 admission per day in 2015.	Payment = \$0 Current law: Medicare does not pay any facility fee to a stand-alone ED 35+ miles from a hospital.	Payment = \$356 Proposed law: Medicare would pay a Type A facility fee if the hospital converted to a stand-alone ED.	+ \$356 (In addition, there would be an annual subsidy to help cover fixed costs of isolated rural EDs.)
Urban				
On-campus ED	2,500	\$356	No change	No change
Independent freestanding emergency center (unaffiliated with a hospital)	190	\$0	\$0	\$0
<i>Proposed policy:</i> Off-campus ED (PPS)	350 and growing	\$356	\$250 (30% reduction from \$356) if within 6 miles of on-campus ED; \$356 if more than 6 miles from an on-campus ED	-\$106 (no change if more than 6 miles from an on-campus ED)

Note: ED (emergency department), PPS (prospective payment system), CAH (critical access hospital). Payment rates are base facility payment rates for 2018 and would change with the local wage index. The CAH payment rates are from claims data from 2013 inflated forward to estimate the average payment per ED visit in 2018. The number of off-campus EDs are estimates. There is no requirement that these facilities file separate CMS identification numbers.

Table 2-A1 presents examples of Medicare’s current payment rates for services provided at different types of emergency departments (EDs) and how those payments would or would not change under the rural and urban policies proposed in Chapter 2. The table outlines current payment rates and potential changes in payment rates for the most common (Level 4) ED visits. For example, Table 2-A1 shows that rural critical access hospitals currently receive a cost-based payment averaging about \$400 for an ED visit (second row of the table). That payment would

remain unchanged if they remained open. If a critical access hospital converted to a stand-alone ED, then under current law, the base payment would fall to zero. Under the proposed rural policy, payment for these facilities would change to \$356 (fifth row of the table). The table also shows that the proposed urban policy would decrease payment rates to urban stand-alone EDs located within six miles of an on-campus hospital ED from \$356 to \$250 for the most common (Level 4) ED visits. ■

ONLINE APPENDIX

2-B

**Map of isolated
low-volume hospitals**

**FIGURE
2-B1**

Map of isolated low-volume hospitals, 2017



Source: MedPAC analysis of hospital closures from 2010 to 2017 and CMS inpatient claims files from 2016.