



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

Med-QUEST Division
Health Care Services Branch
P. O. Box 700190
Kapolei, Hawaii 96709-0190

March 2, 2022

MEMORANDUM

MEMO NO.

QI-2202

CCS-2201

FFS 22-02

TO: QUEST Integration (QI) Health Plans

FROM: Judy Mohr Peterson, PhD *JMP*
Med-QUEST Division Administrator

SUBJECT: EMERGENCY TRANSPORTATION TO ALTERNATIVE DESTINATIONS

The purpose of this memorandum is to notify the health plans of a new payment model for unscheduled ground ambulance services that are dispatched through the 911 Emergency System called Transportation to Alternative Destinations (TAD). This memorandum only addresses the TAD payment model. Ambulance providers should continue to bill as usual for non-TAD emergency services.

Emergency Triage, Treat, and Transport (ET3) Model

The Centers for Medicare and Medicaid Services (CMS) is testing new payment models for ambulance services as a part of the Emergency Triage, Treat, and Transport (ET3) Model. The ET3 Model provides greater flexibility to ambulance care teams to address emergency health care needs of Medicaid beneficiaries following a 911 call, with the goal of improving quality of care and lowering costs. The Med-QUEST Division is participating in ET3 and is implementing the TAD payment model.

Transportation to Alternative Destinations

Currently, health plans pay for emergency ground ambulance services when individuals are transported to emergency departments. This payment model creates an incentive to bring Medicaid beneficiaries to high-acuity, high-cost settings, even when lower-acuity, lower-cost settings may more appropriately meet member needs. TAD aims to address this misaligned incentive by providing person-centered options and more flexibility on the allowed destinations.

Effective March 1, 2022, health plans shall pay ambulance providers that transport patients to alternative destinations. Health plans are also encouraged to consider retroactive claims adjustments if appropriate as these services started on November 1, 2021. Alternative destinations are defined in the Hawai'i Administrative Rules section 323D-2, and include but are not limited to, urgent care centers, subacute stabilization units, sobering centers, primary care providers, and physician offices.

Billing Codes for Transportation to Alternative Destinations

The service codes for non-TAD ground emergency transportation services that are initiated through the 911 dispatch system are listed below:

- Basic Life Support (BLS-E) ground ambulance (HCPCS code A0429) transport; or
- Advanced Life Support, Level 1 (ALS1-E) ground ambulance (HCPCS code A0427) transport; or
- Appropriate adjustments including mileage (HCPCS code A0425) and applicable rural/urban geographic factors or add ons or multiple-patient rule.

These same service codes shall be used to bill for TAD services. New TAD-specific alpha character modifiers shall be used in the “destination” position of the origin/destination modifier combination on ambulance claims to identify TAD claims. These modifiers are billed in combination with the above billing codes, and are specific to TAD claims. Ambulance providers should select the most closely related destination code, as appropriate (e.g., the modifier for Community Mental Health Center, “C” may be appropriate for transport to a residential substance use treatment facility).

The destination modifiers are:

- **C:** Community Mental Health Center
- **F:** Federally Qualified Health Center
- **O:** Physician Office
- **U:** Urgent Care

The alternative destination providers that receive the members (e.g. urgent care centers, physician offices, etc.) should bill as usual for services rendered.

If there are any questions, you may contact Joy Soares at jsoares@dhs.hawaii.gov.