

SENATE BILL REPORT

SB 6129

As Reported by Senate Committee On:
Health & Long Term Care, February 1, 2018

Title: An act relating to an ambulance transport quality assurance fee.

Brief Description: Concerning an ambulance transport quality assurance fee.

Sponsors: Senators Cleveland, Chase and Kuderer.

Brief History:

Committee Activity: Health & Long Term Care: 1/30/18, 2/01/18 [DPS-WM, DNP, w/oRec].

Brief Summary of First Substitute Bill

- Directs the Health Care Authority (Authority) to establish an ambulance transport quality assurance fee to provide increased add-on reimbursement for Medicaid ambulance transports.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: That Substitute Senate Bill No. 6129 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Kuderer, Vice Chair; Rivers, Ranking Member; Conway, Keiser and Van De Wege.

Minority Report: Do not pass.
Signed by Senator Mullet.

Minority Report: That it be referred without recommendation.
Signed by Senators Bailey, Becker and Fain.

Staff: Evan Klein (786-7483)

Background: The Authority currently reimburses providers for emergency medical transportation on a fee-for-service basis.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Providers are reimbursed for emergency medical transportation for ambulance transportation during which the client receives needed emergency medical services en route to an appropriate medical facility. This includes ambulance transportation between facilities. Services rendered may include either basic or advanced life support services. Providers are also reimbursed for mileage and tolls or fees, such as parking, that are incurred during the transport of the client.

Nonemergency transportation is reimbursed when the client must be transported by stretcher or gurney for medical safety reasons, or must have medical attention from trained medical personnel available en route.

Summary of Bill (First Substitute): Data Collection. The Authority must establish a website to receive the submission of ambulance transport reports from ambulance transport providers (providers). Providers must submit data on the number of ambulance transports by payer type by quarter. The data submitted must also include gross receipts received.

Payment of Fees. Beginning on January 1, 2020, and continuing each state fiscal quarter thereafter, each provider must pay a quality assurance fee for each ambulance transport provided. The fee rate must be calculated by the Authority each June 15, beginning in 2029. The fee rate for 2020 must be calculated by multiplying the projected total annual gross receipts for all ambulance transport providers subject to the fee by 5.1 percent, and then must be divided by the projected total annual ambulance transports by all providers subject to the fee for the state fiscal year. The Authority must calculate the rate for 2021 and beyond using a ratio as outlined in the bill. The fees collected in any year may not exceed the amount allowed under federal law.

Interest is assessed on quality assurance fees not paid on time. Fees that are more than 60 days late may be deducted by the Authority, from any Medicaid reimbursement payments owed to that provider, until the full amount of any fee, interest, and potential penalty is paid. The Authority may waive all or a portion of any interest or penalty owed, if the Authority believes that the charge would pose a high likelihood of creating a financial hardship. Responsibility for paying a transport fee transfers in the event of a merger, acquisition, or similar transaction.

Providers are subject to the fee assessment even if the add-on payments are not yet approved, but do not have to pay the fee until the add-on payment increases are approved. The Authority may change a provider's fee or exempt a class of providers as necessary to conform to federal regulations.

Ambulance Transport Fund. A fund is established in the state treasury to receive and disburse ambulance transport fees and payments. Ambulance transport fees and any federal reimbursements must be used to supplement, and not supplant, existing funding for ambulance transports.

Reimbursement. Beginning July 1, 2020, provider reimbursement for Medicaid ambulance transports must be increased by application of an add-on to the associated fee-for-service payment schedule. The add-on must be calculated on or before June 15, 2020. The add-on will remain so long as the Authority determines that federal financial participation is

available. Add-on payments must be funded by the quality assurance fee, plus any federal reimbursements available.

Federal Authority. The Authority must request approval by the Centers for Medicare and Medicaid Services to use ambulance transport fees to receive associated federal matching funds. In pursuing approval, the Authority may seek waivers of the broad-based requirement and the uniformity requirement. The Authority may only implement the quality assurance fee and add-on payments if federal financial participation is obtained.

If federal financial participation ceases, the state is prohibited from implementing a portion of the program, or the state does not continue its maintenance of effort for the level of state funding for ambulance transport reimbursements for the 2020-2021 state fiscal year, than the entire fee and add-on program must cease.

Rules. The Authority is authorized to adopt rules to implement the quality assurance fee and reimbursement system.

Program Expiration. The quality assurance fee program expires on July 1, 2023.

**EFFECT OF CHANGES MADE BY HEALTH & LONG TERM CARE COMMITTEE
(First Substitute):**

- Changes various dates throughout the bill and clarifies that all ambulance transport providers, regardless of the number of transports rendered, must remit the transport fee beginning on January 1, 2020.
- Adds a program expiration date of July 1, 2023.

Appropriation: None.

Fiscal Note: Requested on January 9, 2018.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Often times we forget the critical role of emergency responders in health care. Emergency transport providers are under financial pressures due to increased Medicaid transports. This type of policy creates a program to assist with the solvency of the emergency transport system. This program is designed similarly to the hospital bed fee assessment. This bill will affect every ambulance transport provider in the state. The last time the ambulance fee schedule for Medicaid was adjusted was 2004. Currently, the Medicaid reimbursement rate is \$135 per transport. This bill would fund a higher Medicaid match through other ambulance providers, allowing the state to draw down federal match. Ambulance carriers must provide transport to individuals regardless of their ability to pay, and the Affordable Care Act shifted a greater percentage of ambulance transports to Medicaid. Costs for ambulance transport providers have increased in recent years. Increased traffic and longer transport travels have lengthened the turnaround

time for transporting mental health patients, which adds expense for providers beyond what they are being reimbursed for. Rural communities do not have specialty services in-house, so they have to get patients transported, but the non-emergency transport services do not get reimbursed for their return time. Most of these transport providers are small businesses, and their business lines are effected by minimum wage and the cost of inflation, which have gone up while reimbursements have not. This bill is a common sense approach to help out the services that communities have.

OTHER: We know that this will change the landscape of reimbursement for emergency medical services (EMS). This mechanism has been used on other fronts in health care and would likely bring quality services, but there should be a look back for the Legislature to review the landscape of EMS after enacting this legislation. The Legislature should review if there are net winners or losers from the program.

Persons Testifying: PRO: Senator Annette Cleveland, Prime Sponsor; Anthony Murrietta, Teamsters Local 763; Wayne Senter, Washington Fire Chiefs; Brent Meldrum, Rise to Wellness; David Lapof, EMS Operations Manager, Klickitat County; Robert Berschauer, Executive Director, Washington Ambulance Association; Kim Droppert, Olympic Ambulance; Rocco Roncarati, American Medical Response; Leon Green, Chewelah Rural Ambulance Manager.

OTHER: Geoff Simpson, Washington State Council of Fire Fighters.

Persons Signed In To Testify But Not Testifying: No one.