

HOUSE BILL REPORT

ESSB 6534

As of Second Reading

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

Brief Description: Creating an ambulance transport quality assurance fee.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senator Cleveland).

Brief History:

Committee Activity:

None.

Brief Summary of Engrossed Substitute Bill

- Establishes a quality assurance fee to be paid by private ambulance transport providers.
- Establishes the Ambulance Transport Fund to collect the quality assurance fee, support the Health Care Authority's administrative costs related to the fee, and provide additional reimbursement to ambulance transport providers.

Staff: Chris Blake (786-7392).

Background:

Reimbursement for Ambulance Services.

Under the Medicaid program, the Health Care Authority (Authority) reimburses ground ambulance services for medically necessary ambulance transportation to the closest provider that can meet the client's needs. The Authority covers ground ambulance services for both emergency medical transportation and nonemergency medical transportation for basic life support, advanced life support, and specialty care transport. For nonemergency medical transportation an ambulance is only reimbursed at the ambulance rate if the client must be transported by stretcher or gurney or must have medical attention from trained medical professionals en route.

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.

While the large majority of Medicaid clients are covered through managed care organizations which limit clients to only seeing health care providers within the managed care organization's network, ambulance services providers are reimbursed through the Authority's fee-for-service program.

Provider Assessments.

Health care provider-related charges, such as assessments, fees, or taxes, have been used in some states to help fund the costs of the Medicaid program. Under federal rules, these provider-related charges include any mandatory payment where at least 85 percent of the burden falls on health care providers. States collect funds from health care providers and pay them back as Medicaid payments. States use these provider-related payments to claim federal matching funds.

To conform to federal laws, health care provider-related assessments, fees, and taxes must be broad-based, uniform, and in compliance with hold harmless provisions. To be broad-based and uniform, they must be applied to all providers of the same class and be imposed at the same rate to each provider in that class. If a provider-related assessment, fee, or tax is not broad-based or uniform, these provisions may be waived if the assessment, fee, or tax is generally redistributive. The hold harmless provision may not be waived. Additionally, Medicaid payments for these services cannot exceed Medicare reimbursement levels.

Summary of Bill:

Effective July 1, 2021, a quality assurance fee (fee) shall be imposed upon each ambulance transport provided by certain ambulance transport providers. The fee applies to licensed ambulance transport providers that bill and receive patient care revenue for providing ambulance transports. Ambulance transport providers that are owned or operated by government entities are not subject to the fee. The fee program expires July 1, 2024.

Beginning July 1, 2021, the Health Care Authority (Authority) must annually determine the fee rate. The fee rate is calculated by multiplying the projected total annual gross receipts of all ambulance transport providers subject to the fee by 5.5 percent and dividing its product by the projected total annual ambulance transports by all ambulance transport providers subject to the fee for the state fiscal year. To assist in calculating the fee, ambulance transport providers subject to the fee must report to the Authority the number of ambulance transports by payer type on a quarterly basis and the gross receipts from the provision of ambulance transports on an annual basis.

Each fiscal quarter, ambulance transport providers subject to the fee must pay the applicable fee based on the ambulance transport provider's number of emergency ambulance transports in the second quarter preceding the state fiscal quarter for which the fee is assessed. Interest and penalties shall be assessed on unpaid fees and the Authority may deduct the fee from Medicaid reimbursement payments owed to ambulance transport providers subject to the fee.

Fees and interest collected from ambulance transport providers must be deposited in the Ambulance Transport Fund (Fund). The Fund is an appropriated account. Money from the Fund must be used to pay for the state's administrative costs related to the fee, increase payments to ambulance transport providers subject to the fee, and refund erroneous or excessive payments made by hospitals. Beginning July 1, 2021, the Fund must also be used to provide payments to ambulance transport providers subject to the fee for Medicaid emergency ambulance services in lieu of State General Fund moneys.

Beginning July 1, 2021, Medicaid reimbursement for emergency ambulance transports by ambulance transport providers subject to the fee must be increased by applying an add-on payment to the Medicaid fee-for-service payment schedule. The add-on increase must result in a total reimbursement for each emergency ambulance transport that is at least 60 percent of the statewide Medicare rate for an emergency ambulance transport or similar service. The add-on payment may only be funded from the fees and interest earned on the fees, and federal reimbursement or other related federal funds. The add-on payments may not supplant existing funds for ambulance transports.

The Authority must request any approval from the federal Centers for Medicare and Medicaid Services (CMS) that is necessary to use the fees and receive federal matching funds. The fee program may only be implemented to the extent that the federal approval is received and federal financial participation is available. The fee must only be assessed and collected for quarters in which the add-on is paid. If CMS approval is delayed, the Authority may assess the amount the provider would be required to pay if the fee program was approved, but the provider is not required to pay the fee until the fee program is approved.

Implementation of the fee program is conditional upon:

- CMS program approval and availability of federal matching funds;
- the state not reducing its fee-for-service reimbursement for ambulance transport providers;
- the state not delegating responsibility to pay for ambulance transports to managed care organizations, prepaid inpatient health plans, or ambulatory health plans; and
- the program not prohibiting, diminishing, or harming the Ground Emergency Medical Transportation Services reimbursement program.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 6, 2020.

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

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.