

SENATE BILL REPORT

HB 2531

As Passed Senate, February 28, 2026

Title: An act relating to aligning the quality assurance fee for the ambulance transport fund with federal regulations.

Brief Description: Aligning the quality assurance fee for the ambulance transport fund with federal regulations.

Sponsors: Representatives Stuebe, Stonier, Parshley, Ramel, Nance, Thomas, Hall, Ryu and Ybarra.

Brief History: Passed House: 2/12/26, 94-0.

Committee Activity: Health & Long-Term Care: 2/19/26 [DP].

Floor Activity: Passed Senate: 2/28/26, 49-0.

Brief Summary of Bill

- Directs the Health Care Authority (HCA), beginning July 1, 2026, and continuing each state fiscal year thereafter, to annually set the quality assurance fee rate to the rate in effect as of July 4, 2025.
- Directs HCA to annually calculate the add-on payment for ambulance transport providers to reflect the available quality assurance fee amount in the Ambulance Transport Fund-State.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Slatter, Vice Chair; Muzzall, Ranking Member; Bateman, Chapman, Christian, Harris, Holy, Riccelli and Robinson.

Staff: Julie Tran (786-7283)

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

Background: Reimbursement for Ambulance Services. Under the Medicaid program, the Health Care Authority (HCA) reimburses ground ambulance services for medically necessary ambulance transportation to the closest provider that can meet the client's needs. HCA 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 non-emergency 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.

While most 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 HCA'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.

Ambulance Transport Quality Assurance Fee Program. In 2020, the Legislature created the Ambulance Transport Quality Assurance Fee Program (program). A quality assurance fee (QAF) is imposed upon each ambulance transport provided by certain ambulance transport providers. The QAF applies to licensed ambulance transport providers that bill and receive patient care revenue for providing ambulance transports. Ambulance transport providers owned or operated by government entities are not subject to the QAF.

HCA determines the QAF rate annually and the rate is calculated based on transport and gross receipts data HCA receives from providers. HCA applies an add-on to increase the Medicaid reimbursement for provider's emergency ambulance transports and the add-on must remain the same for later state fiscal years, to the extent HCA determines federal financial participation is available. The add-on also must only be funded from the fees and interest earned on the fees, and federal reimbursement or other related federal funds.

Beginning July 1, 2022, the annual QAF rate is calculated by the product of the projected aggregate fee schedule amount divided by 90 percent of the projected total annual ambulance transports by all providers.

If, during a state fiscal year, the actual or projected available fee amount exceeds or is less than the actual or projected aggregate fee schedule amount by more than 1 percent, HCA must adjust the annual QAF rate so that the state fiscal year's available fee amount is approximately equal to the state fiscal year's aggregate fee schedule.

Federal Regulations. The 2025 federal budget reconciliation bill was enacted into law on July 4, 2025. The bill prohibits states from implementing new provider taxes and for provider taxes that were enacted and imposed by the bill's enactment date, the existing provider tax are allowed to remain in effect but are prohibited from any increases.

Summary of Bill: Beginning July 1, 2026, and continuing each state fiscal year thereafter, the annual QAF rate shall be the rate in effect as of July 4, 2025.

The add-on increase to the Medicaid fee-for-service payment schedule is calculated and annually adjusted to reflect the available QAF amount. Beginning in fiscal year 2027, HCA must adjust the QAF add-on rate if the actual or projected available fee amount exceeds or is less than the actual or projected aggregate fee schedule amount by more than 1 percent so that the available fee amount for the state fiscal year is approximately equal to the aggregate fee schedule amount for the state fiscal year.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A

Persons Signed In To Testify But Not Testifying: N/A