

SENATE BILL REPORT

SB 6102

As of January 20, 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: Senators Muzzall and Cleveland.

Brief History:

Committee Activity: Health & Long-Term Care: 1/20/26.

Brief Summary of Bill

- Sets the annual quality assurance fee rate, beginning July 1, 2026, to be the rate in effect as of July 4, 2025.
- Requires the Health Care Authority to annually calculate the add-on rate and for the add-on rate to be adjusted annually to reflect the available fee amount.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Julie Tran (786-7283)

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

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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 that are 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 that 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, the annual QAF rate will be the rate in effect as of July 4, 2025.

Until June 30, 2026, the QAF rate shall be calculated by a ratio—the product of the projected aggregate fee schedule amount and the State Medical Assistance Percentage divided by 90 percent of the projected total annual emergency ambulance transports by all ambulance transport providers.

The annual QAF rate is calculated as a percentage of annual gross revenue for participating ambulance transport providers.

HCA must annually calculate the add-on rate and the add-on rate must be adjusted annually to reflect the available fee amount. The fee-for-service add-on shall be equal to the quotient of the available fee amount projected by the authority for the previous fiscal year divided by the total Medicaid emergency ambulance transports that HCA projected for the previous fiscal year.

If, during a state fiscal year until June 30, 2026, 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.

If, during a state fiscal year after July 1, 2026, 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 QAF add-on rate so the state fiscal year's available fee amount is approximately equal to the state fiscal year's aggregate fee schedule amount. If the difference between the state fiscal year's available fee amount and the state fiscal year's aggregate fee schedule amount constitutes less than 1 percent of the state fiscal year's aggregate fee schedule amount, the available fee amount is considered equal to the aggregate fee schedule amount.

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: PRO: This is a simple technical bill. We need to make some changes to the program so that it could move forward. The QAF has been

impactful to the industry. Since the QAF was established, there has been an increase in wages and benefits to the employees, the frontline first responders that are out there taking care of everybody. Without this new alignment, the program could be at risk. We don't want to go backwards.

Persons Testifying: PRO: Senator Ron Muzzall, Prime Sponsor; Mike Battis, Washington Ambulance Association.

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