
HOUSE BILL 2531

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By Representatives Stuebe, Stonier, Parshley, Ramel, Nance, Thomas, Hall, Ryu, and Ybarra

Read first time 01/16/26. Referred to Committee on Appropriations.

1 AN ACT Relating to aligning the quality assurance fee for the
2 ambulance transport fund with federal regulations; and amending RCW
3 74.70.060, 74.70.050, and 74.70.020.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 74.70.060 and 2020 c 354 s 6 are each amended to
6 read as follows:

7 (1) (~~Beginning July 1, 2021, and for~~) For each state fiscal
8 year (~~thereafter~~), reimbursement for emergency ambulance transports
9 provided by ambulance transport providers shall be increased by
10 application of an add-on to the associated medicaid fee-for-service
11 payment schedule. The add-on increase to the fee-for-service payment
12 schedule under this section shall be calculated by (~~June 15, 2021,~~
13 ~~and shall remain the same for later state fiscal years, to the extent~~
14 ~~the authority determines federal financial participation is~~
15 ~~available~~) the authority annually and be adjusted annually to
16 reflect the available fee amount. The authority shall calculate the
17 projections required by this subsection based on the number of
18 emergency ambulance transports and gross revenue data submitted
19 pursuant to RCW 74.70.040. The fee-for-service add-on shall be equal
20 to the quotient of the available fee amount projected by the
21 authority (~~on or before June 15, 2021, for the 2021-22 state~~) for

1 the previous fiscal year, divided by the total medicaid emergency
2 ambulance transports, projected by the authority (~~on or before June~~
3 ~~15, 2021, for the 2021-22 state~~) for the previous fiscal year. The
4 resulting fee-for-service payment schedule amounts after the
5 application of this section shall be equal to the sum of the medicaid
6 fee-for-service payment schedule amount and the add-on increase.

7 (2) The increased payments required by this section shall be
8 funded solely from the following:

9 (a) The quality assurance fee set forth in RCW 74.70.050, along
10 with any interest or other investment income earned on those funds;
11 and

12 (b) Federal reimbursement and any other related federal funds.

13 (3) The proceeds of the quality assurance fee set forth in RCW
14 74.70.050, the matching amount provided by the federal government,
15 and any interest earned on those proceeds shall be used to
16 supplement, and not to supplant, existing funding for emergency
17 ambulance transports provided by ambulance transport providers.

18 (4) Notwithstanding any provision of this chapter, the authority
19 may seek federal approval to implement any add-on increase to the
20 fee-for-service payment schedule pursuant to this section for any
21 state fiscal year or years, as applicable, on a time-limited basis
22 for a fixed program period, as determined by the authority.

23 **Sec. 2.** RCW 74.70.050 and 2020 c 354 s 5 are each amended to
24 read as follows:

25 (1) Beginning July 1, 2021, and annually thereafter, the
26 authority shall assess each ambulance transport provider a quality
27 assurance fee. Each ambulance transport provider must pay the quality
28 assurance fee on a quarterly basis. The quarterly quality assurance
29 fee payment shall be based on the annual quality assurance fee rate
30 for the applicable state fiscal year multiplied by the number of
31 emergency ambulance transports provided by the ambulance transport
32 provider in the second quarter preceding the state fiscal quarter for
33 which the fee is assessed.

34 (2) (a) (~~For the state fiscal year beginning July 1, 2021, the~~
35 ~~annual quality assurance fee rate shall be calculated by multiplying~~
36 ~~the projected total annual gross receipts for all ambulance transport~~
37 ~~providers by five and one-half percent, which resulting product shall~~
38 ~~be divided by the projected total annual emergency ambulance~~

1 ~~transports by all ambulance transport providers for the state fiscal~~
2 ~~year.~~

3 ~~(b))~~ For state fiscal years beginning July 1, 2022, ~~((and~~
4 ~~continuing each state fiscal year thereafter))~~ until June 30, 2026,
5 the quality assurance fee rate shall be calculated by a ratio, the
6 numerator of which shall be the product of the projected aggregate
7 fee schedule amount and the state medical assistance percentage, and
8 the denominator of which shall be ninety percent of the projected
9 total annual emergency ambulance transports by all ambulance
10 transport providers.

11 ~~((e))~~ (b) If, during a state fiscal year until June 30, 2026,
12 the actual or projected available fee amount exceeds or is less than
13 the actual or projected aggregate fee schedule amount by more than
14 one percent, the authority shall adjust the annual quality assurance
15 fee rate so that the available fee amount for the state fiscal year
16 is approximately equal to the aggregate fee schedule amount for the
17 state fiscal year. The available fee amount for a state fiscal year
18 shall be considered to equal the aggregate fee schedule amount for
19 the state fiscal year if the difference between the available fee
20 amount for the state fiscal year and the aggregate fee schedule
21 amount for the state fiscal year constitutes less than one percent of
22 the aggregate fee schedule amount for the state fiscal year.

23 (c) Beginning July 1, 2026, and continuing each state fiscal year
24 thereafter, the annual quality assurance fee rate shall be the rate
25 in effect as of July 4, 2025.

26 (d) If, during a state fiscal year after July 1, 2026, the actual
27 or projected available fee amount exceeds or is less than the actual
28 or projected aggregate fee schedule amount by more than one percent,
29 the authority shall adjust the quality assurance add-on rate so that
30 the available fee amount for the state fiscal year is approximately
31 equal to the aggregate fee schedule amount for the state fiscal year.
32 The available fee amount for a state fiscal year shall be considered
33 to equal the aggregate fee schedule amount for the state fiscal year
34 if the difference between the available fee amount for the state
35 fiscal year and the aggregate fee schedule amount for the state
36 fiscal year constitutes less than one percent of the aggregate fee
37 schedule amount for the state fiscal year.

38 (3) For each state fiscal year for which the quality assurance
39 fee is assessed, the authority shall send each ambulance transport
40 provider an assessment notice no later than thirty days prior to the

1 beginning of the applicable state fiscal quarter. For each state
2 fiscal quarter for which the quality assurance fee is assessed, the
3 authority shall send to each ambulance transport provider an invoice
4 of the quarterly quality assurance fee payment due for the quarter no
5 later than thirty days before the payment is due. For each state
6 fiscal quarter for which the quality assurance fee is assessed, the
7 ambulance transport provider shall remit payment to the authority by
8 the date established by the authority, which shall be no earlier than
9 fifteen days after the beginning of the applicable state fiscal
10 quarter.

11 (4) (a) Interest shall be assessed on quality assurance fees not
12 paid on the date due at the rate and in the manner provided in RCW
13 43.20B.695. Interest shall be deposited in the ambulance transport
14 fund established in RCW 74.70.030.

15 (b) In the event that any fee payment is more than sixty days
16 overdue, the authority may deduct the unpaid fee and interest owed
17 from any medicaid reimbursement payments owed to the ambulance
18 transport provider until the full amount of the fee, interest, and
19 any penalties assessed under this chapter are recovered. Any
20 deduction made pursuant to this subsection shall be made only after
21 the authority gives the ambulance transport provider written
22 notification. Any deduction made pursuant to this subsection may be
23 deducted over a period of time that takes into account the financial
24 condition of the ambulance transport provider.

25 (c) In the event that any fee payment is more than sixty days
26 overdue, a penalty equal to the interest charge described in (a) of
27 this subsection shall be assessed and due for each month for which
28 the payment is not received after sixty days. Any funds resulting
29 from a penalty imposed pursuant to this subsection shall be deposited
30 into the ambulance transport fund established in RCW 74.70.030.

31 (d) The authority may waive a portion or all of either the
32 interest or penalties, or both, assessed under this chapter in the
33 event the authority determines, in its sole discretion, that the
34 ambulance transport provider has demonstrated that imposition of the
35 full amount of the quality assurance fee pursuant to the timelines
36 applicable under this chapter has a high likelihood of creating an
37 undue financial hardship for the provider. Waiver of some or all of
38 the interest or penalties pursuant to this subsection shall be
39 conditioned on the ambulance transport provider's agreement to make
40 fee payments on an alternative schedule developed by the authority.

1 (5) The authority shall accept an ambulance transport provider's
2 payment even if the payment is submitted in a rate year subsequent to
3 the rate year in which the fee was assessed.

4 (6) In the event of a merger, acquisition, or similar transaction
5 involving an ambulance transport provider that has outstanding
6 quality assurance fee payment obligations pursuant to this chapter,
7 including any interest and penalty amounts owed, the resultant or
8 successor ambulance transport provider shall be responsible for
9 paying to the authority the full amount of outstanding quality
10 assurance fee payments, including any applicable interest and
11 penalties, attributable to the ambulance transport provider for which
12 it was assessed, upon the effective date of such transaction. An
13 entity considering a merger, acquisition, or similar transaction
14 involving an ambulance transport provider may submit a request to the
15 authority to ascertain the outstanding quality assurance fee payment
16 obligations of the ambulance transport provider pursuant to this
17 chapter as of the date of the authority's response to that request.

18 **Sec. 3.** RCW 74.70.020 and 2020 c 354 s 2 are each amended to
19 read as follows:

20 The definitions in this section apply throughout this chapter
21 unless the context clearly requires otherwise.

22 (1) "Aggregate fee schedule amount" means the product of the add-
23 on calculated pursuant to RCW 74.70.060(1) multiplied by the number
24 of emergency ambulance transports for the state fiscal year.

25 (2) "Ambulance transport provider" means an ambulance transport
26 provider that is licensed under RCW 18.73.140 that bills and receives
27 patient care revenue from the provision of ground emergency ambulance
28 transports. "Ambulance transport provider" does not include a
29 provider that is owned or operated by the state, cities, counties,
30 fire protection districts, regional fire protection service
31 authorities, port districts, public hospital districts, community
32 services districts, health care districts, federally recognized
33 Indian tribes, or any unit of government as defined in 42 C.F.R. Sec.
34 433.50.

35 (3) "Annual quality assurance fee rate" means the quality
36 assurance fee per emergency ambulance transport during each
37 applicable state fiscal year assessed on each ambulance transport
38 provider, which is calculated as a percentage of annual gross revenue
39 for participating ambulance transport providers.

1 (4) "Authority" means the Washington state health care authority.

2 (5) "Available fee amount" means the sum of the following:

3 (a) The amount deposited in the ambulance transport fund
4 established under RCW 74.70.030 during the applicable state fiscal
5 year, less the amounts described in RCW 74.70.030(3)(a); and

6 (b) Any federal financial participation obtained as a result of
7 the deposit of the amount described in this subsection, for the
8 applicable state fiscal year.

9 (6) "Effective state medical assistance percentage" means a ratio
10 of the aggregate expenditures from state-only sources for medicaid
11 divided by the aggregate expenditures from state and federal sources
12 for medicaid for a state fiscal year.

13 (7) "Emergency ambulance transport" means the act of transporting
14 an individual by use of an ambulance during which a client receives
15 needed emergency medical services en route to an appropriate medical
16 facility. "Emergency ambulance transport" does not include
17 transportation of beneficiaries by passenger cars, taxicabs, litter
18 vans, wheelchair vans, or other forms of public or private
19 conveyances, nor does it include transportation by an air ambulance
20 provider. An "emergency ambulance transport" does not occur when,
21 following evaluation of a patient, a transport is not provided.

22 (8) "Fee-for-service payment schedule" means the payment rates to
23 ambulance transport providers for emergency ambulance transports by
24 the authority without the inclusion of the add-on described in RCW
25 74.70.060.

26 (9) "Gross receipts" means the total amount of payments received
27 as patient care revenue for emergency ambulance transports,
28 determined on a cash basis of accounting. "Gross receipts" includes
29 all payments received as patient care revenue for emergency ambulance
30 transports from medicaid, medicare, commercial insurance, and all
31 other payers as payment for services rendered.

32 (10) "Medicaid" means the medical assistance program and the
33 state children's health insurance program as established in (~~Title~~
34 ~~XIX and Title XXI~~) Titles XIX and XXI of the social security act,
35 respectively, and as administered in the state of Washington by the
36 authority.

37 (11) "Program" means the ambulance quality assurance fee program
38 established in this chapter.

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