

# HOUSE BILL REPORT

## SB 5840

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### As Reported by House Committee On: Appropriations

**Title:** An act relating to reimbursement to eligible providers for medicaid ground emergency medical transportation services.

**Brief Description:** Concerning reimbursement to eligible providers for medicaid ground emergency medical transportation services.

**Sponsors:** Senators Dammeier, Rolfes, Braun and Keiser.

#### **Brief History:**

##### **Committee Activity:**

Appropriations: 3/23/15, 3/25/15 [DP].

#### **Brief Summary of Bill**

- Requires the Health Care Authority (HCA) to implement a certified public expenditure program to fund supplemental payments for public ground emergency medical transportation (GEMT) providers.
- Requires the HCA to implement an intergovernmental transfer program to fund increased managed care payments for public GEMT services.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 24 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Cody, Dent, Dunshee, Fagan, Haler, Hansen, Hudgins, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Senn, Springer, Stokesbary, Sullivan, Tharinger and Van Werven.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Buys, G. Hunt and Taylor.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives Parker, Assistant Ranking Minority Member; Condotta and Schmick.

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*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.*

**Staff:** Erik Cornellier (786-7116).

**Background:**

Medicaid.

Medicaid is a federal-state partnership with programs established in the federal Social Security Act, and implemented at the state level with federal matching funds. Federal law provides a framework for coverage of children, pregnant women, parents, elderly and disabled adults, and other adults with varying income requirements. Medicaid includes coverage for emergency transportation services.

Supplemental Payments and Certified Public Expenditure Programs.

In addition to reimbursement for Medicaid services, states can make supplemental payments to certain providers that are separate from and in addition to reimbursements made at standard payment rates. Supplemental payments are eligible for federal matching dollars if aggregate payments to the providers receiving the supplemental payments are less than what Medicare would pay for the same services.

Certified Public Expenditure (CPE) programs allow public providers of medical services to certify their expenses as the non-federal share in order to receive Medicaid matching dollars, which means that the state does not have to contribute the matching share of these expenditures. These CPE programs can be combined with supplemental payments to provide additional funding to public providers without incurring additional state costs.

Managed Care.

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services through a network of providers. Healthy Options (HO) is the Health Care Authority's (HCA) Medicaid managed care program for low-income people in Washington. Healthy Options offers eligible clients a complete medical benefits package. Medicaid clients that are not enrolled in managed care receive coverage directly from the HCA, which reimburses contracted providers on a fee-for-service basis.

Intergovernmental Transfer Programs.

Intergovernmental transfers (IGT) are transfers of public dollars between governmental entities. Localities and other public entities may transfer their own tax revenues to the state to help fund the state's Medicaid program.

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**Summary of Bill:**

Certified Public Expenditure Program for Emergency Ground Transportation.

The Health Care Authority (HCA) must provide supplemental payments for publicly provided Medicaid ground emergency medical transportation (GEMT) services to the extent allowed by law. The supplemental payments, combined with other sources of reimbursement from the HCA, may not exceed the actual costs of providing the services.

The HCA will implement a Certified Public Expenditure (CPE) program to support the supplemental payments. Public GEMT providers receiving the payments must certify their expenses as the non-federal share of the supplemental payments. The Legislature intends to provide the supplemental payments without any expenditure from the State General Fund, and providers must agree to reimburse the HCA for the costs of administering the CPE program.

The HCA must seek federal approval for the CPE program and supplemental payments, and the HCA may not implement those changes without federal approval.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill benefits fire services in Washington and brings in new revenue to the state. It is an excellent way to recover lost money from Medicaid payments.

These payments will help fire services recover from the recession, improve services to citizens, and maintain staffing in the field. It will also allow them to implement programs that support communities such as first aid and cardio-pulmonary resuscitation trainings.

Central Pierce County could see \$2 million in revenue annually, which would help return them to prior service levels.

For Pasco, this is a mutually beneficial solution to the problem of rising costs for emergency response combined with stagnant payment rates. Pasco's average cost per trip is \$700, which is the same as the national average. Medicaid reimbursement only provides \$168 per trip, which leaves local taxpayers with more than 75 percent of the costs.

While this mostly benefits public providers, it can help private providers if they have contracts with public providers.

This program is federally funded and does not impact state taxpayers. It increases cost recovery while bringing in additional revenue for the state budget.

(Opposed) None.

**Persons Testifying:** Keith Wright, Central Pierce Fire and Rescue; and Alex Soldano, City of Pasco.

**Persons Signed In To Testify But Not Testifying:** None.