

# SENATE BILL REPORT

## SB 5840

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As Reported by Senate Committee On:  
Ways & Means, February 27, 2015

**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:** Ways & Means: 2/25/15, 2/27/15 [DP, w/oRec].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Hill, Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Fraser, Hatfield, Hewitt, Kohl-Welles, O'Ban, Rolfes, Schoesler and Warnick.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Braun, Vice Chair; Hasegawa, Padden and Parlette.

**Staff:** Sandy Stith (786-7710)

**Background:** Health Care Authority (HCA) currently reimburses providers for emergency medical transportation on both a fee-for-service basis and through its managed care plans.

Providers are reimbursed for emergency medical transportation for ambulance transportation during which the client receives needed emergency medical services en route to an appropriate medical facility. This includes ambulance transportation between facilities. Services rendered may include either basic or advanced life support services. Providers are also reimbursed for mileage and tolls or fees, such as parking, that are incurred during the transport of the client.

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Nonemergency transportation is reimbursed when the client requires one of the following:

- must be transported by stretcher or gurney for medical safety reasons; or
- must have medical attention from trained medical personnel available en route.

**Summary of Bill:** A supplemental payment program is created for government owned or operated providers that provide emergency ground transportation services to Medicaid beneficiaries.

For services provided to clients that are paid on a fee-for-service basis, eligible participating providers may receive a supplemental payment through certified public expenditure. The total payment is equal to the provider's allowable cost. The nonfederal share of the supplemental payment is certified by the provider, which allows HCA to draw down the federal matching funds and pass these on to the provider.

For services provided to clients that are paid through managed care contracts, increased payments will be made through managed care contracts in amounts that are actuarially equivalent to the supplemental payments received within fee-for-service. The nonfederal share of the increased payment is received by the state through intergovernmental transfer (IGT) from participating providers. This amount is then combined with the federal share and returned to providers through the managed care plans capitation payment process in the form of increased payments for these services. Managed care plans must pay 100 percent of increased capitation payments related to this program to eligible providers. IGTs are subject to a 20 percent administration fee of the nonfederal share paid to HCA as the cost of administering the program.

There is no expenditure from the general fund required to finance this program.

Participation in this program by eligible providers is voluntary.

HCA must promptly seek federal approval upon passage of this legislation.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This is a strong benefit to fire districts as it relates to Medicaid patients. With Medicaid patients, only 20 percent of costs are recovered. Under the Affordable Care Act, Medicaid has gone up across the country. Here in Washington we've seen Medicaid go up by 43 percent. This will help offset that impact with no impact to the state. Implementing this will allow fire districts to recover from the recession. This has been done in hospitals since 1996. This will greatly help the fire service. Private ambulance services will be able to benefit from this as long as they have a contract with the fire district. We have proposed revenue that will be about \$100 million to fire districts and \$20 million to the state. It is very difficult to run these numbers for the state, but

California has just released theirs. The state of California has not fully implemented this, but they expect this to double. This is a cost-recovery program. We continue to see issues with the 101 percent cap. We are trying to find ways to diversity income. Most members are private, for profit, nongovernment agencies. This program has been in place in other states with no use of state funds. The biggest problem is the Medicaid fee schedule that hasn't been updated in 15 years. We don't see that many private companies will be able to participate, but we should be able to use the extra money from the 20 percent additional funding received to increase the fee schedule to help the private providers for a system that is underfunded. This is a mutually beneficial way to alleviate the problem of stagnating reimbursement rates. More than half of the costs of these services have had to be written off. Because of the low cost recovery rate, the city of Pasco had to put the unrecovered amount onto the residents of the city in the form of availability charges.

**Persons Testifying:** PRO: Michael White, WA State Council of Firefighters; Keith Wright, Central Pierce Fire and Rescue, Fire Chief; Ed Grubbs, EF Recovery, WA Fire Chiefs Steering Committee; Bob Berschauer, WA Ambulance Service Assn.; Alex Soldano, city of Pasco.