
Health Care & Wellness Committee

HB 1553

Brief Description: Concerning an ambulance transport quality assurance fee.

Sponsors: Representatives Riccelli, Griffey, Wylie, Doglio, Valdez, Macri, Dolan, Sullivan, Appleton, Jinkins and Ormsby.

Brief Summary of Bill

- Establishes a quality assurance fee to be paid by all ambulance transport providers.
- Establishes the Ambulance Transport Fund to collect the quality assurance fee, support the Health Care Authority's administrative costs related to the fee, and provide additional reimbursement to ambulance transport providers.

Hearing Date: 2/5/19

Staff: Chris Blake (786-7392).

Background:

Reimbursement for ambulance services.

Under the Medicaid program, the Health Care Authority (Authority) reimburses ground ambulance services for medically necessary ambulance transportation to the closest provider that can meet the client's needs. The Authority 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 nonemergency 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 the large majority of Medicaid clients are covered through managed care organizations which limit clients to only seeing health care providers within the managed care organization's

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network, ambulance services for Medicaid clients are reimbursed through the Authority'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. Additionally, Medicaid payments for these services cannot exceed Medicare reimbursement levels.

Summary of Bill:

Effective July 1, 2020, a quality assurance fee (fee) shall be imposed upon each ambulance transport provided by certain ambulance transport providers. The fee applies to licensed ambulance transport providers that bill and receive patient care revenue for providing ambulance transports. "Ambulance transport" is defined as the transportation of a patient by a licensed ambulance to the nearest medical facility capable of meeting the medical needs of the patient that is billed using specified billing codes related to emergency basic life support, non-emergency basic life support, emergency advanced life support, non-emergency advanced life support, mileage, and specialty care.

The Health Care Authority (Authority) must establish the fee for ambulance transport providers by June 15 of each year for the state fiscal year beginning on July 1. To assist in calculating the fee, ambulance transport providers must report to the Authority the number of ambulance transports by payer type on a quarterly basis and the gross receipts from the provision of ambulance transports on an annual basis.

The initial fee is calculated by the Authority by multiplying the projected total annual gross receipts for all ambulance transport providers by 4 percent and dividing by the total number of annual ambulance transports. Beginning July 1, 2021, the fee shall be calculated annually by multiplying the projected aggregate fee schedule amount by the state's Medicaid matching rate and dividing it by 90 percent of the projected total annual ambulance transports by all ambulance transport providers. The Authority shall reduce the fee as necessary to comply with any federal restrictions.

Each fiscal quarter, ambulance transport providers must pay the applicable fee for each ambulance transport they provided. Interest and penalties shall be assessed on unpaid fees and the Authority may deduct the fee from Medicaid reimbursement payments owed to ambulance transport providers.

Fees, interest, and penalties collected from ambulance transport providers must be deposited in the Ambulance Transport Fund (Fund). The Fund is an appropriated account and may receive its proportionate share of earnings from the Fund's balance. Money from the Fund must be used to enhance federal financial participation for ambulance services under the Medicaid program, provide additional reimbursement to ambulance transport providers, support quality improvement efforts, pay for the state's administrative costs, and fund health coverage for Washingtonians. The uses of the Fund are prioritized so that paying for the Authority's staffing and administrative costs related to implementing the fee are the first priority, followed by making increased payments to ambulance transport providers.

Beginning July 1, 2021, reimbursement to ambulance transport providers for ambulance transports shall be increased through an add-on payment to the Medicaid fee-for-service payment schedule. The add-on payment shall be calculated by dividing the projected collected available fee amount by the total Medicaid ambulance transports. The add-on payment may only be funded by fee amounts, interest deposited in the Fund, and from federal matching funds. The add-on payments may not supplant existing funds for ambulance transports.

The Authority must request any approval from the federal Centers for Medicare and Medicaid Services (CMS) that is necessary to use the fees and receive federal matching funds. The fee program may only be implemented to the extent that federal approval is received and federal financial participation is available. If the Authority finds that the fee program is not a benefit to the State General Fund for a state fiscal year, the Authority may suspend the fee program for that year, upon notification to the appropriate legislative committees and ambulance transport providers. The fee program must cease operations if any of several conditions occur, such as CMS no longer allows the collection or use of the fee, the increase in Medicaid payments is no longer in effect, the fee is no longer available, federal participation is no longer available, or the state does not continue its maintenance of effort for funding levels.

The quality assurance fee is subject to the Sunset Review process and the authorization for the program expires July 1, 2029.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately, except for section 11 relating to the Ambulance Transport Fund receiving its proportionate share of earnings from its balance, which takes effect May 1, 2019.