

SENATE BILL REPORT

SB 5517

As of February 14, 2019

Title: An act relating to an ambulance transport quality assurance fee.

Brief Description: Concerning an ambulance transport quality assurance fee.

Sponsors: Senators Cleveland, Sheldon, Salomon, Bailey and Hunt.

Brief History:

Committee Activity: Health & Long Term Care: 2/13/19.

Brief Summary of Bill

- Directs the Health Care Authority to establish an ambulance transport quality assurance fee to provide increased add-on reimbursement for Medicaid ambulance transports.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: LeighBeth Merrick (786-7445)

Background: The Health Care Authority (Authority) currently reimburses providers for emergency medical transportation on a fee-for-service basis.

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, incurred during transporting the client.

Nonemergency transportation is reimbursed when the client 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: Data Collection. The Authority must establish a website to receive the ambulance transport report submissions from ambulance transport providers (providers).

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.

Providers must submit data on the number of ambulance transports by payer type by quarter. The data submitted must also include gross receipts received.

Payment of Fees. Beginning on July 1, 2020, and continuing each state fiscal quarter thereafter, each provider must pay a quality assurance fee for each ambulance transport provided. The fee rate must be calculated by the Authority each June 15, beginning in 2020. The fee rate for 2020 must be calculated by multiplying the projected total annual gross receipts for all ambulance transport providers subject to the fee by 4 percent, and then must be divided by the projected total annual ambulance transports by all providers subject to the fee for the state fiscal year. The Authority must calculate the rate for 2021 and beyond using a ratio as outlined in the bill. The fees collected in any year may not exceed the amount allowed under federal law.

Interest is assessed on quality assurance fees not paid on time. Fees more than 60 days late may be deducted by the Authority, from any Medicaid reimbursement payments owed to that provider, until the full amount of any fee, interest, and potential penalty is paid.

The Authority may waive all or a portion of any interest or penalty owed, if the Authority believes the charge would pose a high likelihood of creating a financial hardship. Responsibility for paying a transport fee transfers in the event of a merger, acquisition, or similar transaction.

Providers are subject to the fee assessment even if the add-on payments are not yet approved, but do not have to pay the fee until the add-on payment increases are approved. The Authority may change a provider's fee or exempt a class of providers as necessary to conform to federal regulations.

Ambulance Transport Fund. A fund is established in the state treasury to receive and disburse ambulance transport fees and payments. Ambulance transport fees and any federal reimbursements must be used to supplement, and not supplant, existing funding for ambulance transports.

Reimbursement. Beginning July 1, 2021, provider reimbursement for Medicaid ambulance transports must be increased by application of an add-on to the associated fee-for-service payment schedule. The add-on must be calculated on or before June 15, 2021. The add-on will remain so long as the Authority determines federal financial participation is available. Add-on payments must be funded by the quality assurance fee, plus any federal reimbursements available.

Federal Authority. The Authority must request approval by the Centers for Medicare and Medicaid Services to use ambulance transport fees to receive associated federal matching funds. In pursuing approval, the Authority may seek waivers of the broad-based requirement and the uniformity requirement. The Authority may only implement the quality assurance fee and add-on payments if federal financial participation is obtained.

If federal financial participation ceases, the state is prohibited from implementing a portion of the program, or the state does not continue its maintenance of effort for the level of state

funding for ambulance transport reimbursements for the 2020-2021 state fiscal year, then the entire fee and add-on program must cease.

Rules. The Authority is authorized to adopt rules to implement the quality assurance fee and reimbursement system.

Program Expiration. The quality assurance fee program expires on July 1, 2029.

Appropriation: None.

Fiscal Note: Requested on January 23, 2019.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony: PRO: Ambulance transport providers have not had a Medicaid reimbursement rate increase since 2006. Provider's operating costs for employee wages and benefits, equipment, and medications have continued to increase. The majority of ambulance transports are provided for Medicare and Medicaid clients. It is not sustainable to expect providers to pass these costs on to private pay clients. The self imposed fee this bill proposes would help draw down federal matching funds to to increase the Medicaid reimbursement rate. Medicaid only pays one-way for behavioral health/ITA transports which are very rarely local transports.

OTHER: This could negatively impact public fire departments.

Persons Testifying: PRO: Senator Annette Cleveland, Prime Sponsor; Bob Berschauer, Washington Ambulance Association; Kim Droppert, Olympic Ambulance; Johanathan Andrews, American Medical Response; Brent Meldrum, citizen.

OTHER: Bud Sizemore, Washington State Council of Fire Fighters.

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