

HOUSE BILL REPORT

HB 1321

As Reported by House Committee On:
Appropriations

Title: An act relating to extending the expiration date of the ambulance transport fund.

Brief Description: Extending the expiration date of the ambulance transport fund.

Sponsors: Representatives Donaghy, Bronoske, Stonier, Riccelli, Fosse and Ormsby.

Brief History:

Committee Activity:

Appropriations: 1/26/23, 2/1/23 [DP].

Brief Summary of Bill

- Extends the expiration date for the ambulance transport Quality Assurance Fee Program and the Ambulance Transport Fund from July 1, 2024, to July 1, 2028.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 29 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Berg, Chandler, Chopp, Connors, Couture, Davis, Dye, Fitzgibbon, Hansen, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Slatter, Springer, Steele, Stonier and Tharinger.

Staff: Meghan Morris (786-7119).

Background:

Reimbursement for Ambulance Services.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

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

Quality Assurance Fee Program.

A quality assurance fee (QAF) is imposed upon each ambulance transport provided by certain ambulance transport providers. The QAF applies to licensed ambulance transport providers that bill and receive patient care revenue for providing ambulance transports. Ambulance transport providers that are owned or operated by government entities are not subject to the QAF.

The HCA determines the QAF rate each year. To assist in calculating the QAF, ambulance transport providers subject to the QAF must report to the HCA 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. Each fiscal quarter, ambulance transport providers subject to the QAF must pay the applicable QAF based on the ambulance transport provider's number of emergency ambulance transports in the second quarter preceding the state fiscal quarter for which the QAF is assessed. Interest and penalties are assessed on unpaid QAFs and the HCA may deduct the QAF from Medicaid reimbursement

payments owed to ambulance transport providers subject to the QAF.

Quality assurance fees and interest collected from ambulance transport providers are deposited in the Ambulance Transport Fund (Fund). The Fund is an appropriated account. Money from the Fund pays for the state's administrative costs related to the QAF, increased payments to ambulance transport providers subject to the QAF, and erroneous or excessive payments made by hospitals. Payments are made from the Fund to ambulance transport providers subject to the QAF for Medicaid emergency ambulance services in lieu of State General Fund moneys. Medicaid reimbursement for emergency ambulance transports by ambulance transport providers subject to the QAF is increased by applying an add-on payment to the Medicaid fee-for-service payment schedule. The add-on increase must result in a total reimbursement for each emergency ambulance transport that is at least 60 percent of the statewide Medicare rate for an emergency ambulance transport or similar service. The add-on payment may only be funded from the QAFs and interest earned on the QAFs, federal reimbursements, or other related federal funds. The add-on payments may not supplant existing funds for ambulance transports.

The QAF program expires July 1, 2024.

Summary of Bill:

The expiration date for the Quality Assurance Fee Program and Ambulance Transport Fund is extended from July 1, 2024, to July 1, 2028.

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 just moves the expiration date for the Quality Assurance Fee Program (Program) to help keep ambulance transport providers solvent. Medicaid often does not cover the full costs of services provided. When a Medicaid client has an emergency, the ambulance transport providers are operating with a financial loss. This ensures emergency services are available to keep people safe.

Medicaid transportation rates are paid on a fixed reimbursement rate, which has not been adjusted since 2004. When the Program began in 2020, it was the first positive step towards

increasing reimbursements in almost two decades. Since the Program began, 76 percent of the additional payments have gone to employee wages and benefits to help with recruitment and retention. This has brought life to a previously dire situation. The only way for providers to recoup costs is through this Program. It brought the basic fee of \$115 to a palatable level.

Providers serve some of the most remote and rural parts of Washington where people need critical care. This Program increases access to care by creating more sustainability and viability for providers to serve these remote areas.

(Opposed) None.

Persons Testifying: Representative Brandy Donaghy, prime sponsor; Mike Battis, President, Washington Ambulance Association; and Joey Rodrigues, Olympic Ambulance.

Persons Signed In To Testify But Not Testifying: None.