SB 172

Changes to Ground Ambulance Medicaid Reimbursement
Terminology

- This Assessment is on *Ground* Ambulance Providers
- Transports are Only *Ground* Ambulance Transports
SB 172

• Uniform Assessment Fee on Ambulance Providers.
• Utah Medicaid to collect assessment.
• Utah Medicaid may impose penalty if assessment not paid.
What is a Provider Assessment?

- Provider Assessments make it possible for providers to supply needed State Matching funds to enhance reimbursements.

- The Assessment must:
  - be **broad based** (i.e., the tax must be imposed on all health care items, services, and providers in the class in the taxed jurisdiction, including all non-Federal, non-public providers);
  - be **uniformly** imposed throughout the taxed jurisdiction (i.e., essentially, the tax must be the same amount for every provider in the class); AND
  - **not hold any taxpayer harmless** (i.e., essentially, a taxpayer is held harmless if the State offsets, reduces, or waives the tax such as by providing to the taxpayer payments tied to the tax).

(See 42 CFR 433, Subpart B for more specifics)
SB 172

- Provides administration of funds collected through assessment.

- Effective Date: July 1, 2015
SB 172

Assessment

• Medicaid Ambulance Provider Assessment

• Non-Federal Portion – Non-Federal share to seed amounts to support fee-for-service ambulance provider rates. (State Match)

• Match Rate set annually according to Federal Year (October 1 – September 30).
SB 172

Total Transports
- Total number of ambulance transports in applicable calendar year.

Assessment
- Paid quarterly as determined by Division Rule.
- Assessment due 15-business days after invoice issue date.
- Assessment funds deposited into service provider Expendable Revenue Fund.
Calculation of Assessment

- Division shall calculate Uniform Assessment.
- Assessment = Non-Federal Portion / Total Transports (Entire State) x Number of Annual Transports by Provider
Calculation of Assessment

- Division shall apply Quarterly Changes to “Assessment Rate” to all ambulance providers.

- Assessment may not generate more than $20,000 to Offset Medicaid Administrative Expenses AND

- The Non-Federal Portion
Calculation of Total Transports

- Fiscal 2016 = Calendar Year 2014 Transports
- Fiscal 2017 = Calendar Year 2015 Transports
- Division will use Calendar Year Transports ending 18-months before end of Fiscal Year.
Medicaid Ambulance Provider

Rates

• Fee-For-Service Rates effective for services rendered on or after July 1, 2015 will be enhanced to the level CMS approves...
Rates

• Medicaid will reimburse Ambulance Provider an amount Up To EMS Ambulance Rates adopted annually by the Department.

• Providers should bill their “Usual and Customary Charges”.
  • DO NOT just increase charges to Medicaid.
  • Charges should be the same as to a private pay person.
Penalties

- 5% of Quarterly Calculated Assessment.

- Suspend all Medicaid payments to provider until quarterly assessment and fines are paid.
Hypothetical Calculations

• State Match Rate
  • Federal Fiscal Year October 1\textsuperscript{st} to September 30\textsuperscript{th}
  • FFY2014 = .2966
  • FFY2015 = .2944
  • FFY2016 = .2976
Total Transports (Hypothetical)

Calendar Year 2014 = 94,888
Total Medicaid Ambulance Transports (Hypothetical)

Calendar Year 2014 = 17,970
Reimbursement Rate (Hypothetical)

AO429 142.72
R426-8-2(3)(a) 696.00 (7-1-2015)
553.28
Reimbursement Rate (Hypothetical)

<table>
<thead>
<tr>
<th>New Rate</th>
<th>Medicaid Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>$553.28</td>
<td>X 17,970</td>
</tr>
</tbody>
</table>

$9,942,442 Needed to Fund New Rate
Reimbursement Rate (Hypothetical)

- $9,942,442 State Match of .2968
  \[= \$2,950,629 \text{ Needed in Assessment to Draw} \]
  \[\$6,991,813 \text{ Federal Share}\]
Reimbursement Rate (Hypothetical)

$2,950,629 State Match
+ $20,000 Administrative Fee
$2,970,629 Total Assessment Needed
Assessment Rate (Hypothetical)

Assessment Needed/Total Transports for 2014
$2,970,629/94,888 =$31.31 per Transport

• Uniformly Applied to All Providers
Assessment Rate

- Assessment Rate Applied to
  - Your Specific Total Annual Transports
  - Not Medicaid Only BUT ALL YOUR TRANSPORTS
  - Will be Billed Quarterly
Specific Hypothetical

- Medicaid Volume Q1
  4,655 X $553.28 = $2,575,518
  X .2944 = $758,233 (Match)
  $1,817,286 (Federal)
  One Quarter Administrative Fee $5,000
Specific Hypothetical

\[
\frac{($758,233 + $5,000)}{94,888} = $8.04
\]
Specific Hypothetical

$8.04 \times \text{Total Number Annual Transports} = \text{Assessment for Quarter One}
Specific Hypothetical

- Medicaid Working with EMS to Clarify:
  - Annual Number of Transports (State) - 94,888
  - Annual Number of Transports (Provider) - Various
  - Quarterly Number Medicaid Volume - TBD as claims are paid
Specific Hypothetical

- The Assessment Rate cannot be calculated until the Quarterly Medicaid (Actual Paid Claims) is known.
- The Actual Paid Medicaid Claims will be determined in the month following Effective Quarter (i.e., July, August, and September paid claims will be on October’s Invoice).
- Current Claim Submissions (Service Date to Adjudication Date) are averaging 71 Days.
Specific Hypothetical

- Your Quarterly Invoice Reflects \( \frac{1}{4} \) of the Annual Projected Assessment (Annual Estimate $31.31, Quarter 1 $8.04)
Specific Hypothetical

- The Higher the Medicaid Quarterly Volume the Higher the Assessment…

<table>
<thead>
<tr>
<th></th>
<th>SFY14</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tr>
<td>Utah Medicaid Volume</td>
<td>17,970</td>
<td>4,655</td>
<td>4,260</td>
<td>4,527</td>
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<td>A0429</td>
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<td>R426-8-2(3)(a)</td>
<td>$696.00</td>
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<tr>
<td>Difference</td>
<td>$553.28</td>
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<td>Additional Monies</td>
<td>$9,942,442</td>
<td>$2,575,518</td>
<td>$2,356,973</td>
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<td>State Match</td>
<td>0.2968</td>
<td>0.2944</td>
<td>0.2976</td>
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<tr>
<td>Non-Federal Funds</td>
<td>$2,950,629</td>
<td>$758,233</td>
<td>$701,435</td>
<td>$745,398</td>
<td>$745,563</td>
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<tr>
<td>Federal Funds</td>
<td>$6,991,813</td>
<td>$1,817,286</td>
<td>$1,655,538</td>
<td>$1,759,300</td>
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<tr>
<td>Total Transports (all payors)*</td>
<td>94,888</td>
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<tr>
<td>Non-Federal Funds Needed</td>
<td>$2,950,629</td>
<td>$758,233</td>
<td>$701,435</td>
<td>$745,398</td>
<td>$745,563</td>
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<tr>
<td>Administrative Fee</td>
<td>$20,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
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<tr>
<td>Assessment Needed</td>
<td>$2,970,629</td>
<td>$763,233</td>
<td>$706,435</td>
<td>$750,398</td>
<td>$750,563</td>
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<td>Assessment per Transport</td>
<td>$31.31</td>
<td>$8.04</td>
<td>$7.44</td>
<td>$7.91</td>
<td>$7.91</td>
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Silver Cross Ambulance (Hypothetical)

- 2014 Total Transports: 2,000
- State Medicaid Volume July 1\textsuperscript{st} – September 30\textsuperscript{th}: 4,655
- Total Utah Transports: 94,888
Silver Cross Ambulance (Hypothetical)

\[4,655 \times \$553.28 = \$2,575,518 \text{ (A)}\]

\[(\text{A}) \times 0.2944 = \$758,233 \text{ (B)}\]

\[(\text{B}) + \$5,000 = \$763,233 \text{ (C)}\]

\[(\text{C}) / 94,888 = \$8.04\]
Silver Cross Ambulance (Hypothetical)

- $8.04 \times 2,000 = $16,087 (A)
- (A) / $553.28 = 29.10
- Annual Volume: 2,000, Quarterly: 500
- >29 of 500 Medicaid
- Or 5.8% of Volume
- > 5.8% Volume Increased Revenue
- < 5.8% Volume Decreased Revenue

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
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<tbody>
<tr>
<td>A</td>
<td>Total Transports</td>
<td>2,000</td>
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<tr>
<td>B</td>
<td>Assessment per Transport</td>
<td>$8.04</td>
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<td>C</td>
<td>Q1 Assessment Amount</td>
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<td>D</td>
<td>Enhanced Rate Difference</td>
<td>$553.28</td>
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<tr>
<td>E</td>
<td>Number of Medicaid Transports to Break Even</td>
<td>29.1</td>
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<tr>
<td>F</td>
<td>$\text{D \times E}$</td>
<td>$16,087</td>
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<tr>
<td>G</td>
<td>$\frac{\text{E}}{(\text{A} / 4)}$</td>
<td>5.8%</td>
</tr>
</tbody>
</table>
Caution

- The examples noted herein are hypothetical.
- Please do not rely on numbers such as the 5.8% in the previous slide.
- Once the variables are known, then you should make your own, independent calculation to determine your breakeven point.
First Quarter Assessment

- Will be lower than the average quarter.

- Claims Lag Average: 71 Days

- By 2\textsuperscript{nd} and 3\textsuperscript{rd} Quarter Average Assessments should have less variation.
Fluctuations to Assessment

- Ratio of Medicaid Transports to Annual Total
- Changes to Basic Ground Ambulance Rate
- Changes to Federal Match Rate
Revenue to Provider Fluctuations

- Ratio of Medicaid Transports to your total.
What does Medicaid Need?

- Key contacts from each provider
  - Provider Name
  - Provider’s Medicaid ID
  - Contact Name
  - Phone
  - Address
  - Email
  Repeat above for back-up contacts
- Medicaid Ambulance Assessment
  Key Contact:
  Steven Jones
  stjones@utah.gov
  801-538-6149