

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 176
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB176CS(HSS)-DHSS-HCMS-2-23-18
Title: GROUND EMER. MEDICAL TRANSPORT
PAYMENTS
Sponsor: WOOL
Requester: House FIN

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Health Care Medicaid Services
OMB Component Number: 2077

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services			116.6	109.0	109.0	109.0	109.0
Commodities							
Capital Outlay							
Grants & Benefits			21,782.2	21,782.2	21,782.2	21,782.2	21,782.2
Miscellaneous							
Total Operating	0.0	0.0	21,898.8	21,891.2	21,891.2	21,891.2	21,891.2

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)			11,167.2	11,163.4	11,163.4	11,163.4	11,163.4
1108 Stat Desig (Other)			10,731.6	10,727.8	10,727.8	10,727.8	10,727.8
Total	0.0	0.0	21,898.8	21,891.2	21,891.2	21,891.2	21,891.2

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1251 Non-UGF (Other)			21,898.8	21,891.2	21,891.2	21,891.2	21,891.2
Total	0.0	0.0	21,898.8	21,891.2	21,891.2	21,891.2	21,891.2

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/19

Why this fiscal note differs from previous version/comments:

Completed Changes in Revenue section and added explanation of the bill as "budget neutral," on consultation with Legislative Finance.
Added an example to illustrate the cash flow within a sample provision of service.

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Agency: Health and Social Services

Phone: (907)334-2520
Date: 02/23/2018 08:15 PM
Date: 02/23/18

**REPORTED OUT OF
HFC 03/01/2018**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. CSHB176(HSS)

Analysis

HB176 directs the department to develop a program to provide supplemental reimbursement to eligible ground/air/water emergency medical transportation service providers for the cost of providing services to medical assistance recipients. The amount of the supplemental reimbursement must be equal to the amount of the federal financial participation that the department receives as reimbursement for the provider's cost for the emergency medical transportation services, less any administrative expenses. The bill stipulates that the amount a provider receives in supplemental reimbursements under the program, when combined with the amount the provider receives from all other sources, including medical assistance reimbursement under the state plan, may not exceed the provider's actual cost for providing emergency medical transportation services to medical assistance recipients.

HB176 allows the department to charge an administrative fee to a provider who participates in the program to cover the department's costs for administering the program. This fee is capped at 20 percent of a provider's costs for providing emergency medical transportation services. The department will charge an administrative fee to pay for one full-time Medical Assistance Administrator II position. Fees to support this program will be collected in the Health Care Medicaid Services component, and funds to support this position will be transferred from the Health Care Medicaid Services component to the Medical Assistance Administration component via a reimbursable services agreement. Fees to support this supplemental payment program will be collected from service providers under statutory designated program receipt authority, since those collections may be used for the single purpose of this supplemental payment program for eligible emergency medical ground transportation claims.

For the purposes of providing the most accurate impact assessment, the division selected for review those emergency transportation providers with the potential to qualify for supplemental reimbursement payments. Additionally, calculations utilize an adjusted formula to estimate the increase in federal matching funds for those providers likely to fall under the CMS 100% tribal reimbursement guidance.

In FY2017, based on claim submission data to date, the department reimbursed 21,215 episodes/units of ground emergency medical transportation. The average claim submitted for reimbursement was \$1,108.60, with an average reimbursement per unit to the provider of \$312.24, leaving an unreimbursed amount of \$796.36.

	21,215	# FY2017 claims for ground transport
	\$ 796.36	average amount per transport unreimbursed through Medicaid
A	\$ 16,894,777.40	Total estimated unreimbursed FY2017 costs for ground transport
B	\$ 337,895.55	estimated 2% of (A) = attributable to Tribal transports (@ 100% FMAP)
C	\$ 16,556,881.85	(A) - (B) = attributable to non-Tribal transports
D	\$ 8,278,440.93	50% of (C) non-Tribal claims = SDPR portion of claims
E	\$ 8,616,336.47	(A) - (D) = Total unreimbursed claims less SDPR portion = federal portion

In FY2017, the department reimbursed 281 episodes/units of air emergency medical transportation. The average claim submitted for reimbursement was \$24,004.30, with an average reimbursement per unit to the provider of about \$6,611.37, leaving an average unreimbursed amount of \$17,392.93.

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STATE OF ALASKA
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BILL NO. CSHB176(HSS)

Analysis

	281	# FY2017 claims for air transport
	\$ 17,392.93	average amount per transport unreimbursed through Medicaid
A	\$ 4,887,413.33	Total estimated unreimbursed FY2017 costs for air transport
B	\$ 97,748.27	estimated 2% of (A) = attributable to Tribal transports (@ 100% FMAP)
C	\$ 4,789,665.06	(A) - (B) = attributable to non-Tribal transports
D	\$ 2,394,832.53	50% of (C) non-Tribal claims = SDPR portion of claims
E	\$ 2,492,580.80	(A) - (D) = Total unreimbursed claims less SDPR portion = federal portion

No claims for water emergency medical transportation were received in FY2017; no charges are projected.

Position costs are to be split equally between fund sources.

YEAR 1 total costs					
	<i>position costs split 50/50</i>	<i>one-time startup costs</i>	<i>supplemental payment costs, ground</i>	<i>supplemental payment costs, air</i>	<i>totals by fund source</i>
<i>federal</i>	\$ 54.5	\$ 3.8	\$ 8,616.3	\$ 2,492.6	\$ 11,167.2
<i>SDPR</i>	\$ 54.5	\$ 3.8	\$ 8,278.5	\$ 2,394.8	\$ 10,731.6
	\$ 109.0	\$ 7.6	\$ 16,894.8	\$ 4,887.4	\$ 21,898.8
YEAR 2 and beyond total costs					
	<i>position costs split 50/50</i>		<i>supplemental payment costs</i>	<i>supplemental payment costs</i>	<i>totals by fund source</i>
<i>federal</i>	\$ 54.5		\$ 8,616.3	\$ 2,492.6	\$ 11,163.4
<i>SDPR</i>	\$ 54.5		\$ 8,278.5	\$ 2,394.8	\$ 10,727.8
	\$ 109.0	\$ -	\$ 16,894.8	\$ 4,887.4	\$ 21,891.2

Since the supplemental reimbursement program is based not on the charges for a submitted claim, but on actual costs as determined by a federally approved cost accounting method, the actual amount of unreimbursed costs may vary from our estimate.

Development and approval of a Medicaid State Plan amendment and subsequent regulations development is anticipated to be lengthy. Thus, implementation and associated costs are not anticipated until FY2020.

This fiscal note is budget neutral; no State general funds will be used in provision of the emergency medical transport supplemental payment program to eligible service providers. Supplemental payments to providers will be comprised of new federal revenues and non-federal matching revenues.

FISCAL NOTE ANALYSIS

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Analysis

Simple example (not actual costs or rates):

Fire Department ambulance transports Medicaid recipient. Cost = \$1,000

Fire Department bills Alaska Medicaid (DHSS). Charge = \$1,000

DHSS pays Fire Department. Standard rate = \$400

DHSS notices Fire Department of available supplemental payment and non-federal share. Supplemental payment = \$600, non-federal share = \$300

Fire Department pays DHSS non-federal share. Non-federal share = \$300

DHSS pays Fire Department supplemental payment using non-federal and federal funds. Payment = \$600.

No general funds are used to make supplemental payment. Fire Department receives \$400 + \$600, pays \$300, and nets \$700 instead of just receiving the \$400 standard rate.

(Administrative fee not shown. Provider pays DHSS fee along with the non-federal share of the supplemental payment.)