



State of Alaska
Department of Health & Social Services
30th Alaska State Legislature

HB176 REVIEW

Please note: The Department of Health and Social Services strives to provide timely programmatic input on bills and proposed work drafts to assist with an efficient flow of legislation through the committee process. Nothing in this document should be construed as support or opposition for the proposal.

Bill Number//Law Log: CS

Bill Sponsor: Rep Wool

Bill Short Title: Ground Emerg. Medical Transport Payments

Division: Health Care Services

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Date: 2/6/2018

Preliminary Comments About Bill/Program Effects

- **HB 176 original version “A”** directs the department to develop a program facilitating supplemental reimbursement to governmental providers of eligible emergency medical transportation services for medical assistance recipients.
- Establishes requirements for provider eligibility to receive supplemental reimbursement through this mechanism, including that the provider:
 - must be enrolled as an Alaska Medicaid provider of emergency medical transportation services;
 - must voluntarily enter into an agreement to participate in the supplemental reimbursement program;
 - must be owned or operated by the state, a political subdivision of the state, or a federally recognized tribe or tribal organization;
 - is reimbursed on a fee-for-service or other federally permissible basis; and
 - must certify that the emergency medical transportation services qualify for Federal Financial Participation.
- Requires the department to use intergovernmental transfers, certified public expenditures, or both, for the certification and transfer of the non-federal share of the supplemental reimbursement from the eligible

emergency medical transportation provider entity. The non-federal share is required and matches the federal share of the supplemental reimbursement under the program.

- Authorizes the department to collect an administration fee, not to exceed 20 percent of the provider cost for providing services, for the development and administration of the supplemental emergency medical transportation program.
- Establishes that the amount of the supplemental reimbursement is equal to the amount of Federal Financial Participation received as reimbursement for the provider's cost and matched through intergovernmental transfers or certified public expenditures, less an administrative fee established by the department.
- Directs the department to inform the legislature if the United States Department of Health and Human Services revokes approval of the program.
- Establishes that supplemental reimbursement payments are subject to appropriation.

HB 176 mandates the establishment of a mechanism through which eligible governmental providers of ground emergency medical transportation may receive reimbursement for services in addition to the amount reimbursed by Alaska Medicaid.

Participation in the program requires the eligible government service provider to pay, as the federally required matching funds, 50 percent of the certified actual cost for the service over the amount of reimbursement received under the regular Medicaid program. The money used by the eligible provider for matching funds may not be received from any federal entity or utilized as the match for any other federal program.

Eligible costs for the supplemental reimbursement are determined through a certified public accounting process. The actual direct and indirect costs for the provision of emergency medical transportation will be determined and factored into the amount of supplemental reimbursement available.

The division currently utilizes the basic methodology outlined in the bill for School-Based Services and Tribal Medicaid Administrative Claiming. The process is complex; providers bear an administrative responsibility to ensure their contributions meet the federally established guidelines. Additionally, administering the program according to federal guidelines presents unique challenges and a significant burden on Health Care Services. While the state would prefer the flexibility to utilize either mechanism, historically the state has been more successful in the use of intergovernmental transfers than the use of certified public expenditures.

In order to develop and operate a supplemental reimbursement program, Health Care Services would require the addition of one medical assistance administrator II position.

The required changes to the Medicaid Management Information System to implement this bill are not yet known as this program crosses other areas of functioning. At least initially, it appears possible to process the projected claims similarly to Tribal Medicaid administrative claiming, and school-based claiming, requiring manual interventions.

An approved Medicaid State Plan Amendment is necessary to implement the supplemental reimbursement program. Depending on the complexity of the required state plan amendment, and the location within the Medicaid State Plan itself, this process can be lengthy, involving negotiations with the Centers for Medicare and Medicaid Services. There are currently four states with State Plan Amendments allowing supplemental reimbursement for ground emergency medical transportation – Nevada, California, Florida, and Louisiana. Additionally, at the time of analysis, five states have enacted – or are in the process of enacting – legislation enabling supplemental reimbursement for ground emergency medical transportation. (These five states are Missouri, Washington, Kansas, and West Virginia.) Of the nine states, the only state falling within the same Centers for Medicare and Medicaid Services administrative region as Alaska – Region X – is Washington. Having passed the enabling legislation in

2015, Washington received approval for a Medicaid state plan amendment allowing supplemental reimbursement of ground emergency medical transportation after 16-months of negotiations with the federal government.

Amendments Proposed (to HB 176 version A)

1. In the first version of the bill, the language AS 47.07.85(a) relating to the supplemental reimbursement for GEMT services does not clearly delineate between Alaska Medicaid reimbursement and the proposed supplemental reimbursement. It should describe that the amount of supplemental reimbursement a provider receives through this program as:
 - a. The amount of total reimbursement the ground emergency medical transportation provider receives in supplemental reimbursement may not exceed, when combined with all reimbursement from any other sources, the actual cost of providing the service.
 - b. The eligible ground emergency medical transportation provider and the department must enter into a supplemental reimbursement agreement requiring the provider to reimburse the department for any state financial share required by the federal government in excess of the state share required for reimbursement at the approved Medicaid rate, plus an administrative fee not to exceed 20% of the actual cost of providing the service.