

HB

176

<TARGET><BILL>HB 176</BILL><SUBJECT>HB
176</SUBJECT><COMM>HHSS30</COMM></TARGET>

ALASKA STATE LEGISLATURE

Session
State Capitol, Rm. 416
Juneau, AK 99801
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Bethel, AK 99559
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Rep.Zach.Fansler@akleg.gov



House Community & Regional
Affairs Committee
Co-Chair

Education

Fisheries

Joint Armed Services

Judiciary
Vice-Chair

REPRESENTATIVE ZACH FANSLER DISTRICT 38

Sponsor Statement

House Bill 176 Emergency Medical Transportation Services

“An Act relating to medical assistance reimbursement for emergency medical transportation services; and providing for an effective date.”

Emergency Medical Transportation Services (EMTS) relates to the emergency transportation of patients. For what is traditionally considered an ambulance ride, EMTS reflects Alaska’s unique geographical challenges to include air, water, and other approved medical transport services. As it currently stands, Alaska’s emergency medical service providers incur additional uncompensated costs when providing services to Medicaid beneficiaries, by as much as sixty percent.

Reimbursement for ground emergency medical transportation services occurs when the providers submit a billing to the department (specifically to the Medicaid fiscal agent Conduent) for eligible services provided; the department reimburses the provider using the established Medicaid methodology and rate; the department submits documentation supporting the payment of the federal financial participation (FFP) to Centers for Medicare and Medicaid Services (CMS); and once it is approved, the department receives reimbursement for the FFP from CMS that amounts to the appropriate federal assistance percentage (FMAP).

By enacting this legislation along with an amendment to the state Medicaid plan, public EMS providers are eligible to access *enhanced* federal funding for emergency medical transportation of Medicaid patients. The use of transfers is clearly authorized in federal statute and is both legal and useful. Further, CMS provides reimbursement for the administrative costs associated with administrating EMTS by as much as twenty percent.

Anchorage, Juneau, Kenai, and Ketchikan, combined serve approximately forty-eight percent of the state’s population. In 2015 (for Kenai) and 2016 for the others, these departments provided 7,035 transports to Medicaid patients, without EMTS, the departments received just \$2.1 million in reimbursements; a total collective under-compensation of roughly \$3.9 million. Were they EMTS eligible, they could have collected a total of \$6 million.

HB 176 would allow EMS providers around the state to collect underfunded costs from the effective date, providing a financial boon to those organizations and communities. Even smaller communities such as Bethel can see over a quarter of a million dollars in EMTS reimbursements per year.

As you can see from the attached bill packet, there is widespread support for HB 176 throughout the state to help our local communities receive payments to actively cover the services they provide.

Introduced by: William Howell III, Fire Chief
Date: April 5, 2017
Action:
Vote:

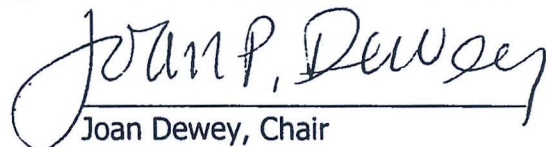
Public Safety and Transportation Commission

Resolution # 17-01

A RESOLUTION IN SUPPORT OF LEGISLATION TO FACILITATE IMPLEMENTATION OF AN ALASKA GROUND EMERGENCY MEDICAL TRANSPORT SUPPLEMENTAL REIMBURSEMENT PROGRAM IN ALASKA

- WHEREAS,** the City of Bethel provides emergency medical services to residents and visitors to Bethel;
- WHEREAS,** the City of Bethel only receives partial reimbursement for the cost of providing emergency medical services to Medicaid beneficiaries;
- WHEREAS,** Federal Centers for Medicare and Medicaid Services provide supplementary reimbursement of uncompensated costs incurred by emergency medical service providers in the treatment and transportation of Medicaid beneficiaries in states participating in the Ground Emergency Medical Transportation program;
- WHEREAS,** Federal Centers for Medicare and Medicaid Services provide reimbursement for the administrative costs associated with administration of the Ground Emergency Medical Transportation program;
- WHEREAS,** the Ground Emergency Medical Transportation program is not part of any Medicaid expansion effort and is not associated with the Affordable Care Act;
- WHEREAS,** passing State House Bill 176 supporting the Ground Emergency Medical Transportation program is a first step toward the City of Bethel being able to recover the uncompensated costs;
- NOW, THEREFORE, BE IT RESOLVED** that the Bethel City Council supports State of Alaska House Bill 176 facilitating implementation of the Ground Emergency Medical Transportation program in Alaska.

ENACTED APRIL 5, 2017 BY A VOTE OF 5 IN FAVOR AND 0 OPPOSED.


Joan Dewey, Chair

ATTEST:



Christina Him, Recorder



Fairbanks North Star Borough Emergency Operations

3175 Peger Road PO Box 71767, Fairbanks, Alaska 99707-1267

(907) 459-1481 FAX 459-1119

MEMORANDUM

To: The Fairbanks North Star Borough Assembly

Thru: Karl Kassel, Borough Mayor *[Signature]*

Thru: David Gibbs, Emergency Operations Director *[Signature]*

Date: March 23, 2017

Subject: Resolution 2017 08

A RESOLUTION IN SUPPORT OF LEGISLATION TO FACILITATE IMPLEMENTATION OF AN ALASKA GROUND EMERGENCY MEDICAL TRANSPORT (GEMT) SUPPLEMENTAL REIMBURSEMENT PROGRAM

Emergency Medical Service (EMS) providers throughout Alaska are seeking for their communities to be able to participate in a supplemental Ground Emergency Medical Transportation (GEMT) program. This voluntary Certified Public Expenditure (CPE) based program provides supplemental funding to public agencies that provide GEMT services to Medicaid beneficiaries. EMS providers, working with the Alaska Fire Chiefs Association, are seeking legislation to implement the GEMT Program in Alaska.

GEMT is not related to Medicaid expansion and is not part of the Affordable Care Act. GEMT can cover up to twenty percent of a provider's cost for administrative fees. This legislation would not add burden to the local taxpayer.

The Fairbanks North Star Borough provides non areawide emergency medical services funded through a combination of service fees and a tax levy. The cost of providing the service is split evenly between these two revenue sources. When a Medicaid-eligible patient is transported to the hospital, only a fraction of the cost is reimbursed by Medicaid. The GEMT Supplementary Reimbursement Program is a way to recover some of the uncompensated costs above what Medicaid covers.

The FNSB charges \$1,000 per ambulance transport, plus mileage charges, however, the average Medicaid reimbursement is only \$155 per patient. During CY 2016, approximately thirty percent of the patients transported by borough EMS providers were Medicaid beneficiaries; accruing more than \$430,000 in uncompensated costs. These uncompensated costs could be recoverable under the GEMT program.

Implementation of the GEMT program involves amending the Alaska Medicaid State Plan¹ to include GEMT reimbursement. Hospitals and other health care facilities have been accessing supplemental reimbursements for years and ten other states are successfully utilizing or have pending legislation to participate in the GEMT program for ambulance transportation.

I respectfully urge you to support legislation to facilitate implementation of an Alaska GEMT Supplemental Reimbursement Program.

¹ <http://dhss.alaska.gov/Commissioner/Pages/MedicaidStatePlan/default.aspx>

By: Karl Kassel, Mayor
Introduced: March 23, 2017

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2017 - 08

A RESOLUTION IN SUPPORT OF LEGISLATION TO FACILITATE
IMPLEMENTATION OF AN ALASKA GROUND EMERGENCY MEDICAL
TRANSPORT (GEMT) SUPPLEMENTAL REIMBURSEMENT PROGRAM

WHEREAS, The Fairbanks North Star Borough provides emergency medical services to citizens and visitors in Interior Alaska; and

WHEREAS, The Fairbanks North Star Borough receives partial reimbursement for the cost of providing emergency medical services to Medicaid beneficiaries; and

WHEREAS, The Fairbanks North Star Borough emergency medical service system incurs additional uncompensated costs when providing services to Medicaid beneficiaries; and

WHEREAS, Federal Centers for Medicare and Medicaid Services provide supplementary reimbursement of uncompensated costs incurred by emergency medical service providers in the treatment and transportation of Medicaid beneficiaries in states participating in the Ground Emergency Medical Transportation program; and

WHEREAS, Federal Centers for Medicare and Medicaid Services provide reimbursement for the administrative costs associated with administration of the Ground Emergency Medical Transportation program; and

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZED]

32 WHEREAS, The Ground Emergency Medical Transportation program is not part
33 of any Medicaid expansion effort and is not associated with the Affordable Care Act;
34 and
35

36 WHEREAS, Enacting Ground Emergency Medical Transportation legislation is
37 the first step in facilitating implementation of the Ground Emergency Medical
38 Transportation program in Alaska.
39

40 NOW, THEREFORE, BE IT RESOLVED that the Assembly of the
41 Fairbanks North Star Borough supports legislation facilitating implementation of the
42 Ground Emergency Medical Transportation program to Alaska.
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44 PASSED AND APPROVED THIS ___ DAY OF _____, 2017.
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48 _____
49 Kathryn Dodge
50 Presiding Officer

51 ATTEST: APPROVED:
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55 _____
56 Nanci Ashford-Bingham, MMC
57 Borough Clerk

55 _____
56 Jill S. Dolan
57 Borough Attorney

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZED]

FIRE LINK

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GEMT 101

by Chief John Paul Jones, President, Missouri Valley Division

There are states within the Missouri Valley Division that are building a coalition of stakeholders within each individual state to support state specific legislation which permits public agencies providing emergency medical services (EMS) the ability to receive supplemental reimbursement for valuable services currently being performed.

This information is being provided to assist administrators of public agencies within states that are in the Missouri Valley Division of the IAFC that provide emergency medical transport, pre-stabilization, or preparation for transport. This document also represents basic information for stakeholder groups for discussion with local officials.

GROUND EMERGENCY MEDICAL TRANSPORT SUPPLEMENTAL REIMBURSEMENT (GEMT)

GEMT legislation would allow public agencies who are obligated by law to provide EMS to receive supplemental reimbursement from the Federal Government for valuable services currently being performed but not paid for.

- This initiative is NOT part of any Medicaid expansion effort
- The initiative is viewed as relief for public entities that provide for EMS Transport

GEMT is NOT associated with the Affordable Care Act.

The Federal Government is required to provide assistance in the form of Medicaid reimbursement for qualified individuals that meet certain criteria. Each state that adopts a reimbursement program is "entitled" to receive federal funds to assist that state with providing this healthcare coverage.

GEMT is not new, currently, Washington, California, Texas, Indiana, North Carolina, Massachusetts, and Louisiana use some form of these programs to draw down Federal dollars to help offset the cost of providing ground emergency medical transport services.

THE GROUND EMERGENCY MEDICAL TRANSPORT SUPPLEMENTAL REIMBURSEMENT PROGRAM:

- Draws down Federal dollars to help offset the cost of providing emergency ambulance and transport for qualifying Medicaid patients
- Two primary mechanisms for drawing down money are CPE's and IGT's

The governmental agency that operates the EMS services are allowed to participate in the recovery of costs associated with providing medical services which includes transportation of Medicaid beneficiaries when the state Medicaid program does not cover the full cost of the service. The two most common ways that this occurs are through Certified Public Expenditure (CPE) and Inter-Governmental Transfers (IGT).

- CPE's are Certified Public Expenditures for use in Fee for Service (FFS). Cost-sharing program approximately 50/50 split of the uncompensated cost of the service. An entitlement program that is mandatory (is not subject to federal appropriations).

- IGT's are Inter Governmental Transfers. Cost sharing program approximately 50/50 split of the total cost of the service. An entitlement program that is mandatory (is not subject to federal appropriations). There are many programs within

states that use these methods to draw down federal money for the same objective as GEMT. The most common are public health programs and schools.

GEMT as applied...

Example. Let's say you have an annual volume of 9,000 total ambulance transports per year by your governmental EMS entity or Fire Department. With a qualifying Medicaid percentage of 20 percent, that would be 1,800 qualifying transports annually.

If the reimbursement rate is \$180, and the calculated cost of services is \$1,180, we subtract the \$180 from the

(continued on page 2)

Calendar of Events

- Iowa Professional Fire Chiefs Conference
October 13-15 - Ames, IA
- Nebraska State Fire Chiefs Conference
October 15-17 - Nebraska City, NE
- Colorado Fire Leadership Challenge
October 21-23 - Keystone, CO
- Kansas State Association of Fire Chiefs Conference
October 23-25 - Lawrence, KS
- South Dakota Fire Chiefs Conference
December 4-6 - Aberdeen, SD
- Missouri Association of Fire Chiefs Conference
February 25-26 - Big Cedar Lodge
- North Dakota Fire Chiefs Conference -
February 16

Missouri Valley Division News

by Chief Jerry Rhodes, International Director

There is a lot going on in our Division. We are experiencing a late wildfire season after many of us have sent resources to the west coast most of the summer. Keep your personnel vigilant and safe, we have had a lot of injuries and LODD related to this wildfire season.

Colorado and Washington State have been getting a lot of questions about marijuana and emergency responders. Here are a couple of thoughts. The THC level in today's marijuana and edibles is much higher than similar products in the '70s. A little goes a long ways. It may be legal in Colorado and Washington, but if your employment contract says no THC in your system, no means NO! If you respond to an incident with heavy marijuana smoke in the environment, document it like another exposure.

The Missouri Valley Division has experienced more active shooters/active threats incidents than the other divisions. We just did an IAFC e-learning webinar on Active Shooter/Active Threat Response Preparation and Training. Have your Training Officer check it out.

<https://iafc.events.webex.com/jc3000/eventcenter/recording/recordAction>

Our Division is very active on the Fire/Med side of the house. Contact MVD President John Paul Jones jpjones@kckfd.org for more information on funding and Deputy Chief Norris Croom (ncroom@ergov.com) on Community Paramedicine. I have sent my IAFC Board Meeting/FRI Report to your State Director. This report contains the ACA Task Force Report and a ton of

additional information.

The MVD Luncheon at FRI was very well attended. President John Paul Jones got us through a number of speakers while promoting our Division networking. It was good to be with all of you. Our thanks to Division Secretary Chief Jack Taylor, our Logistics Section Chief and Food Unit Leader. Very proud of our Division.

The Missouri Valley Division on your behalf honored outgoing IAFC President Chief Keith Bryant by purchasing a brick for the NFFF Walk of Honor in Emmitsburg, MD. He was very touched. It will be placed in the IAFC section south of the main monument. Take a look at your gift the next time you are at the fire academy. 📌

GEMT 101 (continued from page 1)

\$1,180 which leaves an uncompensated cost of \$1000 which is the amount that the provider cost shares at 50/50 with the Feds. Next, we multiply the \$500 by the 1800 qualifying patient transports and we would be eligible to receive \$900,000 in new revenue. This is RELIEF!

CPE/IGT all-inclusive costs can range from \$1,000 - \$2,000 per transport. Under federal guidelines the cost of providing the transport includes all the associated costs with providing the service. This includes both direct and indirect costs. As a result, the actual cost of transport can be significantly higher than the reimbursable rate.

These amounts can be adjusted to your actual numbers to give a more realistic representation of the money you would receive.

- Every state participates in CPE or IGT programs
- The programs have existed for more than 30 years

As stated, every state participates in these types of programs. Most of these programs have been running for more than 30 years.

To move forward.

- Create enabling legislation to facilitate a State Plan Amendment (SPA)
- SPA creates the program that establishes the "rules" for participation

The biggest issue with developing these types of programs is getting the enabling legislation to create a State Plan Amendment or SPA. If the legislation does not specify certain things, you cannot include them in the SPA. The state will draft the SPA language and insure that it meets state regulations but they will only include what you want to include. The SPA process is very labor intensive and establishes all of the rules for what can be included in the state GEMT program. They do not have the background to know what is all inclusive in your delivery system.

- Providers must develop the SPA, the state will ensure it meets state regulations
- The state will present the SPA to CMS for Federal approval
- The state and Feds will only approve what is asked for (if you don't ask/you will not receive).

The state will then submit the SPA for approval to CMS. Once CMS has approved the program providers can begin to submit their reports for reimbursement.

- It may in fact be possible that all costs associated with the development of the program are applied to the cost of service
- Participation is always voluntary

Note: There is potential for "FIRST RESPONDER FEE REIMBURSEMENT"

More information on this very real potential for first responder reimbursement will follow in future correspondence depending on future developments concerning these reimbursement opportunities.

Standby more information to come.

If you have any questions or comments please feel free to contact me. 📌

jpjones@kckfd.org
Desk: 913-573-5948
Cell: 913-669-8730

By: Karl Kassel, Mayor
Introduced: 03/23/2017
Adopted: 03/23/2017

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2017-08

A RESOLUTION IN SUPPORT OF LEGISLATION TO FACILITATE
IMPLEMENTATION OF AN ALASKA GROUND EMERGENCY MEDICAL
TRANSPORT (GEMT) SUPPLEMENTAL REIMBURSEMENT PROGRAM

WHEREAS, The Fairbanks North Star Borough provides emergency medical services to citizens and visitors in Interior Alaska; and

WHEREAS, The Fairbanks North Star Borough receives partial reimbursement for the cost of providing emergency medical services to Medicaid beneficiaries; and

WHEREAS, The Fairbanks North Star Borough emergency medical service system incurs additional uncompensated costs when providing services to Medicaid beneficiaries; and

WHEREAS, Federal Centers for Medicare and Medicaid Services provide supplementary reimbursement of uncompensated costs incurred by emergency medical service providers in the treatment and transportation of Medicaid beneficiaries in states participating in the Ground Emergency Medical Transportation program; and

WHEREAS, Federal Centers for Medicare and Medicaid Services provide reimbursement for the administrative costs associated with administration of the Ground Emergency Medical Transportation program; and

WHEREAS, The Ground Emergency Medical Transportation program is not part of any Medicaid expansion effort and is not associated with the Affordable Care Act; and

WHEREAS, Enacting Ground Emergency Medical Transportation legislation is the first step in facilitating implementation of the Ground Emergency Medical Transportation program in Alaska.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough supports legislation facilitating implementation of the Ground Emergency Medical Transportation program to Alaska.

46 PASSED AND APPROVED THIS 23RD DAY OF MARCH, 2017.
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Kathryn Dodge
Presiding Officer

55 ATTEST:

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59 Nanci Ashford-Bingham, MMC
60 Borough Clerk
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63 Yeses: Tacke, Cooper, Quist, Roberts, Gray, Sattley, Lawrence, Dodge, Davies
64 Noes: None



Alaska Fire Chiefs Association

820 Glacier Ave
Juneau, AK 99801
Phone: 907 723-4420
E-Mail: rich.etheridge@juneau.org
Web: www.alaskafirechiefs.org

March 14, 2016

Juneau, AK 99801

RE: HB 176 Support

Dear Representative Fansler:

I am writing on behalf of the Alaska Fire Chiefs Association in support of House Bill 176, an Act relating to medical assistance reimbursement for emergency medical transportation.

HB 176 will allow fire departments across Alaska recover some of the otherwise unrecoverable expenses related to providing emergency medical care to patients covered under the Medicaid system. Currently these additional expenses are absorbed by either the local government or the agency providing the medical care.

This program will not incur any costs to the State of Alaska; as administrative costs can be billed back into this federal program. This program is not part of the Medicaid expansion and is not dependent on the Affordable Care Act. This is part of an entitlement program that has been around for many years. Three states have completed legislation and several more are in the process of adopting legislation.

This program, if approved by the Alaska Legislature, allows EMS providers to bill the federal system annually for the approved costs. This will put real dollars back into our communities and allow departments the opportunity to survive during these fiscally uncertain times. These dollars could mean additional staffing, medical equipment, training, or as simple as heat and electricity in buildings. Your large municipalities could see large dollar amounts annually coming back to them. However the real difference will be the small communities that struggle just to pay for fuel in their ambulance. This program would make the difference between an EMS program barely surviving out of the generosity of volunteers to creating a legitimate program

that can provide training to its members and purchase equipment that is not worn out as part of a surplus program.

The Alaska emergency services are seeing direct impacts of the low oil prices. Fire departments have greatly reduced participation in state wide programs. The fire Marshal's Office has closed offices and drastically cut the number of life safety inspections they do. Some of our communities cannot even pay to heat some of the community buildings any longer.

From the perspective of the Alaska Fire Chiefs, this program is a win win for all of Alaska. This relieves some of the financial burden on the local community, it provides real dollars into a struggling EMS system, it improves the medical care patients receive in the prehospital setting; all without costing Alaska any additional dollars.

We strongly support HB 176. This could be one of the most important pieces of legislation in decades to improve emergency services across the entire state. We would encourage you to support HB 176 as well.

Respectfully,



Richard Etheridge

President



ALASKA PROFESSIONAL FIRE FIGHTERS ASSOCIATION

PO Box 111222 ANCHORAGE, AK 99511

North Pole – Fairbanks – Shemya – Anchorage – Juneau – Ketchikan

www.alaskapffa.org



April 7, 2017

Representative Zach Fansler

State Capital Room 416

Juneau, Alaska 99801

Representative Fansler:

I am writing today in support of HB 176 the Ground Emergency Medical Transport bill. HB 176 would allow fire departments and EMS providers to receive a higher rate of reimbursement for transporting patients covered by Medicaid. Currently fire departments and EMS providers are often reimbursed at a fraction of the actual cost for medical transports. HB 176 allows agencies in the state to begin to rectify this problem. At a time when cities across Alaska struggle to provide basic services, HB 176 will provide a level of financial relief by helping agencies receive reimbursement that is closer to actual cost.

Fire departments and EMS providers determine the cost of a medical transport and then bill accordingly. When a department transports a Medicaid patient they may only be reimbursed at a fraction of the actual cost. The difference between the cost of a transport and the amount reimbursed forces local taxpayers to make up the shortfall. HB 176 will allow providers of EMS to recoup expenses that are closer to the actual cost of the transport after departments demonstrate the accurate cost. This additional revenue can be used to bolster public safety in communities that receive it.

Many states have passed bills similar to HB 176 and are seeing an increase in revenue for transports related to Medicaid patients. At a time when our economy is struggling, we should look for ways to continue to fund vital services. HB 176 will help all communities across Alaska providing EMS.

In closing I would like to encourage the Legislature to pass HB 176. EMS is a vital service relied upon by the citizens of Alaska. The importance of this bill is magnified by the current economic situation in our state. HB 176 will help providers of emergency medical transport weather this economic storm and continue to serve the citizens of Alaska.


Thomas A Wescott

President Alaska Professional Fire Fighters

From: Bill Howell [<mailto:bhowell@cityofbethel.net>]
Sent: Tuesday, March 07, 2017 1:37 PM
To: Rep. Zach Fansler <Rep.Zach.Fansler@akleg.gov>
Subject: GEMT

Representative Fansler,

I am attaching the draft Ground Emergency Medical Transport (GEMT) legislation for your review. I just received this today so I apologize for the delay in getting it to you. I've been advised that this has been presented to other legislators but has yet to receive a sponsor. As I am sure you are aware, many fire departments including Bethel are providing ambulance services well below cost.

GEMT would amend Alaska's State Medicaid plan to reimburse municipalities for the uncompensated costs of providing ambulance services to Medicaid recipients. Currently Medicaid pays an average of \$455 per transport. Our ambulance service here in Bethel and many around the State spend over \$1000 per transport. GEMT would reimburse that difference. Participation in GEMT is voluntary for cities.

The GEMT program would help close the gap in funding to ensure fiscal sustainability for many ambulance services. In Bethel, our ambulances and fire vehicles are in dire need of replacement and we simply lack funds. Based on some preliminary estimates I've made, GEMT has the potential to bring in as much as \$468,000 a year for the City of Bethel.

I know the State budget is the priority, GEMT legislation fits in that discussion. GEMT is fiscally positive for the State. The State would receive up to 20% in administrative costs for administration of the program, on top of what is reimbursed to municipalities/Cities. We both know how revenue sharing is dwindling, GEMT could help mitigate that to some extent as well.

If this legislation was passed it would be a game changer for the Fire Service in Alaska. In Bethel it would allow us to get the ambulances and fire trucks we haven't been able to afford since the oil boom of the 1980's. Like me, I learned that many other Fire Chiefs that I met at the conference are struggling to provide basic services due to lack of funding.

Your service and support is greatly appreciated by me and all of us here at Bethel Fire. Please contact me anytime on my personal cell 545-4305.

--

Warmest Regards,

Bill Howell
Fire Chief
City of Bethel Fire Department
907-543-2131
907-545-4998 cell
907-543-2702 fax
P.O. Box 1388
Bethel, Alaska 99559
bhowell@cityofbethel.net

The most difficult thing is the decision to act, the rest is merely tenacity.

—Amelia Earhart

From: Rich Etheridge <Rich.Etheridge@juneau.org>
Sent: Friday, April 07, 2017 9:52 AM
To: Michelle Sparck
Subject: RE: g ot the EMTS hearing on April 13

Follow Up Flag: Follow up
Flag Status: Flagged

In Juneau, I write the fire department budget. It gets submitted to the City Manager's Office, they modify it and then submit it to the Assembly for final approval.

We have to set out rates for EMS calls and each department does that a little differently. Most departments set their rates at approximately what the insurance companies will pay for. Our billing company sends a patient's insurance company a bill for (hypothetically) \$1,000.00. The insurance company pays (hypothetically) \$800.00 and the remainder gets billed to the patient to pay.

Medicare & Medicaid by law receive the same \$1,000.00 bill and only pay \$450.00 of it. By law, the remainder cannot be billed back to the patient and the department absorbs that as lost revenue or bad debt. As the number of people eligible for Medicaid increase, the amount of money written off also increases.

There are additional expenses to provide EMS that cannot be passed on to the patients or the cost to the patient would become un reasonable. Things like ambulance maintenance, a percent of the facility maintenance dedicated to EMS, additional responders such as paid firefighters or volunteers, medical equipment replacement. All of these costs are currently funded by tax dollars.

This bill allows us to enter into negotiations with the feds to identify what costs they are willing to reimburse departments for.

Hopefully this helps

Rich

Rich Etheridge
Fire Chief
Capital City Fire Rescue
820 Glacier Ave.
Juneau, AK 99801
(907)586-0251
Readiness, Dedication, Service

Rich.Etheridge@juneau.org



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

WORK DRAFT REVIEW

Please note: The Department of Health and Social Services strives to provide timely programmatic input on 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: HB 176

Bill Sponsor: Rep Fansler

Bill Short Title: Ground Emerg. Medical Transport Payments

Division: Health Care Services

Prepared By: Margaret Brodie

Date: March 20, 2017

Preliminary Comments About Bill/Program Effects

As written, this bill provides authority for supplemental reimbursement of ground emergency medical transportation (GEMT) under medical assistance programs using Intergovernmental Transfers, Certified Public Expenditures, or both. The bill in substance provides for the following:

1. **HB 176** directs the department to develop a program facilitating supplemental reimbursement to specific providers of eligible ground emergency medical transportation services, for medical assistance recipients.
2. HB 176 instructs the department to utilize intergovernmental transfers (IGT), certified public expenditures (CPE), or both, for the non-federal share of GEMT services eligible for FPP under the medical assistance program
3. HB 176 establishes that the amount of the supplemental reimbursement is equal to the amount of Federal Financial Participation (FFP) received as reimbursement for the provider's cost and matched through IGT or CPE, less an administrative fee established by the department. The administration fee is not to exceed 20% of the actual cost to providers for providing the services
4. HB 176 restricts total provider reimbursement so as not to exceed the actual costs for providing GEMT to medical assistance recipients

5. HB 176 establishes the requirements for provider eligibility to receive supplemental reimbursement through this mechanism, including that the provider must,
 - a. be enrolled as an Alaska Medicaid provider;
 - b. voluntarily enter into an agreement to participate;
 - c. be owned or operated by the state, a political subdivision of the state, or a federally recognized tribe or tribal organization;
 - d. is reimbursed on a fee-for-service or other federally permissible basis; and
 - e. certifies the GEMT services qualify for FFP.
6. HB 176 directs the department to inform the legislature if the United States Department of Health and Human Services revokes approval of the program
7. HB 176 establishes that supplemental reimbursement payments are subject to appropriation

In state fiscal year 2016, the state reimbursed 15,362 units of GEMT. In addition to the individual episodes of GEMT, the state reimbursed entities for 103,610 units for ground transportation, each unit reimbursed per statute mile. The current system is not capable of delineating between emergent and non-emergent services using the ground mileage code. In SFY16, the state reimbursed providers \$4,195,938 for GEMT and \$469,324.80 for combined non-emergency ground transportation (NEMT) and GEMT mileage. Because of the issues with separating NEMT and GEMT mileage in MMIS, only GEMT service units are considered in this provisional analysis.

Regardless of the chosen mechanism – IGT, CPE, or both – the investment of time and resources is significant as is evident in the descriptions below:

Intergovernmental transfers (IGTs): An IGT is a transfer of funds from another governmental entity (e.g., a county or other state agency) to the Medicaid agency before a Medicaid payment is made. When these funds are used as the non-federal share of Medicaid expenditure, they are eligible for federal financial participation (FFP). That is, they can be matched by federal dollars. IGTs are commonly used by government entities to contribute the non-federal share for certain governmental providers (e.g., community mental health centers, hospitals) located in those jurisdictions. IGTs may also be contributed directly by governmental providers themselves, such as hospitals operated by state or local government. The ability of states to use IGTs to finance their Medicaid programs is recognized in both federal statute and regulation (§1903(w)(6) of the Social Security Act; 42 CFR 433.51).¹ The IGT mechanism discussed requires the provider make an actual payment to the state.

Certified public expenditures (CPEs): A CPE is a statutorily recognized Medicaid financing approach by which a governmental entity, including a governmental provider (e.g., county hospital, local education agency), incurs an expenditure eligible for FFP under the state's approved Medicaid state plan (§1903(w)(6) of the Social Security Act; 42 CFR 433.51). The governmental entity certifies that the funds expended are public funds, containing no federal funds, and are used to support the full cost of providing the Medicaid-covered service or the Medicaid program administrative activity. Based on this certification, the state then claims FFP.

CPE-based financing must recognize actual costs incurred. As a result, CMS requires cost reimbursement methodologies for providers using CPEs to document the actual cost of providing the services, typically

¹ Non-Federal Financing (MACPAC, 2015)<https://www.macpac.gov/subtopic/non-federal-financing/>

determined through a statistically valid time study, periodic cost reporting, and reconciliation of any interim payments.²

Considering the 15,362 units of GEMT reimbursed in FY16, the *average* provider claim submitted for reimbursement was \$768.46 and the average reimbursement to the provider per unit was \$274.74. This leaves an *average unreimbursed amount of \$493.72 per unit*. However, in order to implement a supplemental reimbursement program for GEMT, it is necessary to utilize the actual costs of services provision. As such, this program would require the ongoing use of a cost based methodology to determine the actual cost of service provision per unit. Depending on the approach taken, this amount could be determined at the individual provider, local, regional, or statewide level.

The division currently utilizes the basic methodology outlined in the bill for School-Based Services (SBS) and tribal Medicaid administrative claiming (TMAC). 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 the Division of Health Care Services and the eligible providers. While the state would like the flexibility to utilize either mechanism, historically the state has been more successful in the use of IGTs than the use of CPEs.

In order to develop and operate a supplemental reimbursement program, Health Care Services would require the addition of one Medicaid Administrator Assistant II at an annual cost of \$98,000, and an estimated initial administrative fee of \$6.50 per eligible unit submitted for reimbursement.

A state plan amendment (SPA) is required to implement a supplemental reimbursement program. Depending on the complexity of the required SPA, and the location within the State Plan itself, this process can take from three months to a year and involve negotiations with the Centers for Medicare and Medicaid Services (CMS).

The required changes to the system to implement this bill are minimal, it appears feasible to process the projected claims similarly to TMAC, and school based claiming.

An increase in federal reimbursement through a supplemental reimbursement program would result in the need for an increase in federal authority to manage.

Amendments Proposed

The language in 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. equal to the amount of non-federal matching funds received by the state, through IGT and/or CPE, minus an established administration fee; and
- b. not exceeding the actual cost of providing ground emergency medical transportation to medical assistance recipients when combined with the amount received from all other sources, to include the Alaska Medicaid program.

² IBID

30-LS0705J
Glover
4/7/17

CS FOR HOUSE BILL NO. 176()
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTIETH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES FANSLER, Gara

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to medical assistance reimbursement for emergency medical**
2 **transportation services; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1. AS 47.07 is amended by adding a new section to read:**

5 **Sec. 47.07.085. Supplemental reimbursement for emergency medical**
6 **transportation services. (a) The department shall develop a program to provide**
7 **supplemental reimbursement to eligible emergency medical transportation service**
8 **providers for the cost of providing services to medical assistance recipients. Except as**
9 **provided in (b) of this section, the amount of the supplemental reimbursement paid to**
10 **a provider must be equal to the amount of federal financial participation that the**
11 **department receives for the nonfederal matching funds paid by the provider through**
12 **intergovernmental transfers or certified public expenditures, less any administrative**
13 **expenses. Under the program, the department shall use intergovernmental transfers, or**
14 **certified public expenditures, or both, for the nonfederal share of emergency medical**

1 transportation services that are eligible for federal financial participation under the
2 medical assistance program.

3 (b) The amount a provider receives in supplemental reimbursements under the
4 program, when combined with the amount the provider receives from all other
5 sources, including medical assistance reimbursement under the state plan, may not
6 exceed the provider's actual cost for providing emergency medical transportation
7 services to medical assistance recipients.

8 (c) An emergency medical transportation service provider is eligible to
9 participate in the program if the provider

10 (1) is enrolled with the department as a medical assistance provider;

11 (2) voluntarily enters into an agreement with the department to
12 participate in the program;

13 (3) is owned or operated by the state, a political subdivision of the
14 state, or a federally recognized tribe or tribal organization;

15 (4) charges for emergency medical transportation services on a fee-for-
16 service or other federally permissible basis; and

17 (5) certifies that the provider's expenditures for emergency medical
18 transportation services qualify for federal financial participation.

19 (d) The department may charge an administrative fee to a provider who
20 participates in the program to cover the department's costs for administering the
21 program. The administrative fee may not exceed 20 percent of a provider's cost for
22 providing emergency medical transportation services.

23 (e) If the United States Department of Health and Human Services revokes
24 approval of the program, the department shall provide notice to the legislature. The
25 department shall submit written notice to the secretary of the senate and the chief clerk
26 of the house of representatives as early as possible after the United States Department
27 of Health and Human Services expresses its intent to revoke approval of the program.

28 (f) Supplemental reimbursement payments are subject to appropriation.

29 (g) In this section,

30 (1) "emergency medical transportation services" includes ground,
31 water, or air transportation services provided to a medical assistance recipient during a

1 medical emergency;

2 (2) "program" means the supplemental reimbursement program
3 developed by the department under this section;

4 (3) "provider" means an eligible emergency medical transportation
5 service provider;

6 (4) "state plan" means the state plan for medical assistance coverage
7 developed under AS 47.07.040.

8 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 MEDICAID STATE PLAN AMENDMENT; NOTICE TO REVISOR OF
11 STATUTES. The Department of Health and Social Services shall amend and submit for
12 federal approval a state plan for medical assistance reimbursement consistent with this Act.
13 The commissioner of health and social services shall certify to the revisor of statutes if all of
14 the provisions of AS 47.07.085, enacted by sec. 1 of this Act, are approved by the United
15 States Department of Health and Human Services.

16 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 CONDITIONAL EFFECT. AS 47.07.085, enacted by sec. 1 of this Act, takes effect
19 only if the commissioner of health and social services certifies to the revisor of statutes under
20 sec. 2 of this Act, on or before November 1, 2018, that all of the provisions added by
21 AS 47.07.085 have been approved by the United States Department of Health and Human
22 Services.

23 * Sec. 4. If AS 47.07.085, enacted by sec. 1 of this Act, takes effect, it takes effect on the
24 day after the date the commissioner of health and social services makes a certification to the
25 revisor of statutes under sec. 2 of this Act.

Fiscal Note

State of Alaska
2017 Legislative Session

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

Identifier: HB176-DHSS-HCMS-04-06-17
Title: GROUND EMER. MEDICAL TRANSPORT
PAYMENTS
Sponsor: FANSLER
Requester: House HSS

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)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services			109.0	109.0	109.0	109.0	109.0
Commodities							
Capital Outlay							
Grants & Benefits			7,475.5	7,475.5	7,475.5	7,475.5	7,475.5
Miscellaneous							
Total Operating	0.0	0.0	7,584.5	7,584.5	7,584.5	7,584.5	7,584.5

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)			3,792.3	3,792.3	3,792.3	3,792.3	3,792.3
1108 Stat Desig (Other)			3,792.2	3,792.2	3,792.2	3,792.2	3,792.2
Total	0.0	0.0	7,584.5	7,584.5	7,584.5	7,584.5	7,584.5

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) 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? 07/01/18

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: Margaret Brodie, Director	Phone: (907)334-2520
Division: Health Care Services	Date: 04/06/2017 12:00 PM
Approved By: Shawnda O'Brien, Assistant Commissioner	Date: 04/06/17
Agency: Health and Social Services	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB176

Analysis

HB176 directs the department to develop a program to provide supplemental reimbursement to eligible ground 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 ground emergency medical transportation services, less any administrative expenses.

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. However, this fee is capped at 20 percent of a provider's costs for providing ground emergency medical transportation services. The department will charge an administrative fee to pay for one full-time Medical Assistance Administrator II position. All of the fees to support this program will be collected in the Health Care Medicaid Services component. The 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.

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 ground emergency medical transportation services to medical assistance recipients.

At this time the department has no way of knowing what the actual cost is for providing ground emergency medical transportation services to medical assistance recipients since providers only submit a claim for services. In FY2016 the department reimbursed 15,362 episodes/units of ground emergency medical transportation. The average claim submitted for reimbursement was \$768.46. The average reimbursement per unit to the provider was \$274.74. This leaves an average unreimbursement amount of \$493.72. Annually, the average total reimbursement for FY2016 was \$4,220,556 ($\$274.74 \times 15,362 = \$4,220,556$).

Under this new program, the intent is for the program to be cost neutral. This would be accomplished by having each provider who participates in the program to either make an intergovernmental transfer of funds to the department, or to have certified public expenditures serve as the match to claim federal financial participation reimbursement. The proposed legislation stipulates that both funding arrangements are allowed.

Assuming that a provider meets the criteria for participating in the program through an intergovernmental transfer or through certified public expenditures, in the scenario above, the department would pay the provider the entire \$768.46. Through federal financial participation, the department would then bill the federal government for \$493.72 (provider match = $\$493.72 \times .5 = \246.86), the difference between what the state normally pays for an average unit of ground emergency medical transportation and what was actually billed by the provider. The department projects that it will expend an average of \$7,584,527 on additional ground emergency medical transportation ($\$493.72 \times 15,362 = \$7,584,527$). One-half of this amount, \$3,792,263 ($\$246.86 \times 15,362 = \$3,792,263$) will be collected from providers who participate in the program. This match will be collected as statutory designated program receipts.

Fiscal Note

State of Alaska
2017 Legislative Session

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

Identifier: HB176-DHSS-MAA-04-06-17
Title: GROUND EMER. MEDICAL TRANSPORT
PAYMENTS
Sponsor: FANSLER
Requester: House HSS

Department: Department of Health and Social Services
Appropriation: Health Care Services
Allocation: Medical Assistance Administration
OMB Component Number: 242

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates					
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES								
Personal Services			97.6	97.6	97.6	97.6	97.6	97.6
Travel								
Services			9.4	9.4	9.4	9.4	9.4	9.4
Commodities			9.6	2.0	2.0	2.0	2.0	2.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	116.6	109.0	109.0	109.0	109.0	109.0

Fund Source (Operating Only)

1007 I/A Rcpts (Other)			116.6	109.0	109.0	109.0	109.0
Total	0.0	0.0	116.6	109.0	109.0	109.0	109.0

Positions

Full-time			1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) 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? 07/01/18

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By:	Margaret Brodie, Director	Phone:	(907)334-2520
Division:	Health Care Services	Date:	04/06/2017 12:00 PM
Approved By:	Shawnda O'Brien, Assistant Commissioner	Date:	04/06/17
Agency:	Health and Social Services		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB176

Analysis

HB176 directs the department to develop a program to provide supplemental reimbursement to eligible ground 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 ground emergency medical transportation services, less any administrative expenses.

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. However, this fee is capped at 20 percent of a provider's costs for providing ground emergency medical transportation services.

Starting in FY2019, to administer the supplemental reimbursement program for emergency medical transportation, the Division of Health Care Services has determined that it needs one full-time Medical Assistance Administrator II. This position will be funded from fees collected from providers who participate in the program. The cost of the position is shown below:

One full-time Medical Assistance Administrator II (including benefits); Range 18, Anchorage; \$97.6 annually

Services: Office space, phone, reimbursable service agreements for position support costs: \$9.4 annually

Commodities: Office supplies: \$2.0

One-Time Commodities Cost: Computer, software, and office equipment: \$7.6

All of the fees to support this program will be collected in the Health Care Medicaid Services component. The 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.