

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 554 (Senator Frv. *et al.*)

Finance

Medicaid - Emergency Service Transporters - Reimbursement

This bill requires the Department of Health and Mental Hygiene (DHMH) to reimburse an “emergency service transporter” (EST) for transportation and medical services costs incurred by the EST when transporting a Medicaid recipient to a facility in response to a 911 call, if billed by the EST. The reimbursement would be no more than \$100 per transport. DHMH is to adopt regulations to carry out the provisions of this bill by January 1, 1999.

The bill takes effect July 1, 1999, except the regulations provision takes effect October 1, 1998.

Fiscal Summary

State Effect: Expenditures for the Medicaid program could increase by at most \$3.30 million in FY 2000, of which \$1.65 million is general funds and \$1.65 million is federal funds. Future year maximum expenditures reflect inflation. No effect on general fund revenues.

(in millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	1.65	1.70	1.76	1.82	1.88
FF Expenditures*	1.65	1.70	1.76	1.82	1.88
Net Effect	(\$3.30)	(\$3.40)	(\$3.52)	(\$3.64)	(\$3.76)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

* federal fund expenditures are reimbursable by the federal government.

Local Effect: Total revenues for local jurisdictions and volunteer companies that provide emergency services transport could increase by up to \$3.3 million in FY 2000.

Small Business Effect: None. The bill relates to public emergency service transporters, which are local governments, volunteer companies, and the State Police.

Fiscal Analysis

State Expenditures: Current coverage under the Medicaid program is for non-emergency transport only. As a result of this bill, expenditures for the Medicaid program could increase by at most \$3.3 million in fiscal 2000, which accounts for the July 1, 1999 effective date (\$1.65 million in general funds and \$1.65 million in federal funds). The estimate is based on the following facts and assumptions:

- A total of 33,114 Medicaid transports in fiscal 2000.
- Reimbursement of \$100 per transport.
- All EMS units bill Medicaid for their services.
- No administrative costs for the Medicaid program.

The cost to the Medicaid program would be lower if some EMS units do not bill for their services and if the reimbursement is less than \$100 per transport. According to the Maryland Institute for Emergency Medical Services Systems (MIEMSS), 17 of the 24 jurisdictions currently bill for EMS transportation.

It is possible that the federal Health Care Financing Administration may require the State to reimburse all EMS transporters and not just public transporters, meaning that expenditures for the Medicaid program could increase by slightly more than the amount stated above.

Future year maximum expenditures reflect 3% inflation.

Information Source(s): Department of Health and Mental Hygiene (Medical Care Policy Administration), Maryland Institute for Emergency Medical Services Systems, Insurance Administration, Department of Legislative Services

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