

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 517 (Senator Conway. *et al.*)

Finance

Maryland Medical Assistance Program - Reimbursement - Emergency Service Transporters

This bill requires the Department of Health and Mental Hygiene (DHMH) to reimburse “emergency service transporters” (EST) for transportation and medical services costs incurred by the EST when transporting a Medicaid recipient to a facility, if billed by the EST. DHMH is to adopt regulations to carry out the provisions of this bill.

Fiscal Summary

**State Effect:** Expenditures for the Medicaid program could increase by \$5 million in FY 1999, of which \$2.5 million is general funds and \$2.5 million is federal funds. Future year expenditures reflect annualization and inflation. No effect on general fund revenues.

(in millions)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	2.5	3.5	3.6	3.7	3.8
FF Expenditures*	2.5	3.5	3.6	3.7	3.8
Net Effect	(\$5.0)	(\$7.0)	(\$7.2)	(\$7.4)	(\$7.6)

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 \$5 million in FY 1999.

**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 \$5 million in fiscal 1999, which accounts for the October 1, 1998 effective date (\$2.5 million in general funds and \$2.5 million in federal funds). The estimate is based on the following facts and assumptions:

- Emergency Medical Services (EMS) transports are categorized as Basic Life Support (BLS) or Advanced Life Support (ALS).
- Charges would include a flat rate for transportation (\$193 for BLS and \$333 for ALS) and a mileage fee (\$2 per BLS mile and \$4 per ALS mile).
- All EMS units would bill Medicaid for their services.

The cost to the Medicaid program would be lower if some EMS units do not bill for their services. According to the Maryland Institute for Emergency Medical Services Systems (MIEMSS), 17 of the 24 jurisdictions currently bill for EMS transportation.

In a few instances, a commercial ambulance company will make emergency transports in Maryland, in which case it would be denied payment by the Maryland Medicaid program. 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 expenditures reflect annualization and 3% inflation.

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**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

**Fiscal Note History:** First Reader - February 23, 1998

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