

Department of Legislative Services
 Maryland General Assembly
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FISCAL AND POLICY NOTE
 First Reader

Senate Bill 389
 Finance

(Senator Gallion, *et al.*)

Maryland Medical Assistance Program - Emergency Service Transporters -
 Reimbursement

This bill modifies the requirements for Medicaid reimbursement to an emergency service transporter for services provided in response to a 9-1-1 call. Specifically, the bill requires reimbursement for medical services provided to a Medicaid recipient in response to a 9-1-1 call in situations when the recipient is not transported to a facility. Also, beginning in fiscal 2022, the Maryland Department of Health (MDH) must increase the amount of reimbursement for transportation and medical services by \$25 each fiscal year until the reimbursement rate is at least \$300.

Fiscal Summary

State Effect: Medicaid expenditures increase by *at least* \$2.2 million (50% general funds, 50% federal funds) in FY 2022. Federal fund revenues increase accordingly. Future years reflect annualization and annual increases in reimbursement. **This bill increases the cost of an entitlement program beginning in FY 2022.**

(\$ in millions)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
FF Revenue	\$1.1	\$2.9	\$4.3	\$5.8	\$7.2
GF Expenditure	\$1.1	\$2.9	\$4.3	\$5.8	\$7.2
FF Expenditure	\$1.1	\$2.9	\$4.3	\$5.8	\$7.2
Net Effect	(\$1.1)	(\$2.9)	(\$4.3)	(\$5.8)	(\$7.2)

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

Local Effect: Local government revenues increase from additional reimbursement for emergency service transport and medical services. Expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: If an emergency service transporter (which includes a public entity or volunteer fire, rescue, or emergency medical service that provides emergency medical services – collectively EMS provider) charges for its services and requests reimbursement from Medicaid, MDH must reimburse the emergency service transporter, in an amount as specified by MDH regulations, for the cost of (1) transportation to a facility in response to a 9-1-1 call and (2) medical services provided while transporting the Medicaid recipient to a facility in response to a 9-1-1 call.

The current Medicaid reimbursement rate is \$100 per transport. This reimbursement is provided regardless of whether the care provided is at the advanced life support or basic life support level. Services, medications, and supplies provided by EMS at a scene or during transport are not eligible for separate reimbursement outside the \$100 transport fee. To be eligible for reimbursement, EMS must have been dispatched by a 9-1-1 call center and the ambulance must transport the patient to a hospital emergency department, among other requirements.

Chapter 605 of 2018 required the Maryland Health Care Commission (MHCC) and the Maryland Institute for Emergency Medical Services Systems (MIEMSS) to, among other things, jointly develop a statewide plan for the reimbursement of services provided by EMS providers to Medicaid recipients. The [report](#) was submitted in January 2019.

State Fiscal Effect: Medicaid expenditures increase by *at least* \$2.2 million (50% general funds, 50% federal funds) in fiscal 2022, which reflects the bill’s October 1, 2021 effective date. This estimate reflects the cost of increasing the reimbursement rate for emergency transports from \$100 to \$125. Any additional cost to provide reimbursement for medical services provided to a Medicaid recipient in response to a 9-1-1 call where no transport is made (or where transport is not made to a “facility”) – also known as treat and release – is not reflected in that amount, as discussed below.

Increased Medicaid Reimbursement for Emergency Transports

In calendar 2018, Medicaid reimbursed emergency service transporters for 115,474 transports at a rate of \$100 per transport, resulting in a total cost of \$11.5 million. Assuming the number of transports remains constant, Medicaid expenditures increase by a total of \$2.2 million in fiscal 2022 to increase reimbursement to \$125 per transport; as noted above, this estimate accounts for the bill’s October 1, 2021 effective date. Federal fund revenues increase accordingly. To the extent the number of transports varies, costs increase or decrease accordingly.

Future year expenditures reflect an increase in the rate as follows: \$150 in fiscal 2023; \$175 in fiscal 2024; \$200 in fiscal 2025; and \$225 in fiscal 2026. Rates continue to increase by \$25 increments until reaching \$300 in fiscal 2029 for an additional annual cost of \$23.1 million that year and in subsequent years.

Reimbursement for Treat and Release Medical Services

According to the 2019 MHCC/MIEMSS report, for some 9-1-1 calls, EMS responds, provides care, and the patient refuses ambulance transport to a hospital emergency department (ED). The most common types of treat and release 9-1-1 patients are those with diabetic hypoglycemia, asthma, or unconscious overdose. For federal participation in the cost of treat and release services, Medicaid must apply for a State plan amendment (SPA) as eligibility for reimbursement currently requires that the ambulance transport the patient to a hospital ED. Should the SPA be approved, reimbursement for these services would be eligible for 50% federal matching funds. However, as noted in the MHCC/MIEMSS report, there is no reliable data currently available to quantify the number of Medicaid patients that EMS treats in order to accurately project the cost to reimburse for these services.

For illustrative purposes only, assuming an SPA is approved, for every 5,000 patients for which Medicaid provides reimbursement for treat and release services annually, Medicaid expenditures (50% general funds, 50% federal funds) increase by \$625,000 in fiscal 2022, increasing to \$1.1 million in fiscal 2026. This example includes the impact of the \$25 annual increase in the reimbursement rate. If no SPA is approved, such reimbursement would be entirely from general funds.

Local Revenues: Local government EMS providers receive *at least* \$2.2 million in additional reimbursement for transport and medical services provided to Medicaid recipients in fiscal 2022. Medicaid reimbursement increases by \$14.4 million in fiscal 2026 and, beginning in fiscal 2029, by \$23.1 million. These estimates are based on the incremental increase in the reimbursement rate each year and reflect only the amount of reimbursement for such services when a transport is made. As noted above, additional reimbursement for treat and release services cannot be accurately projected at this time.

Additional Comments: MDH advises that it has submitted an SPA that will create a public Emergency Service Transporter Supplemental Payment Program (ESPP). The proposed amendment will increase funding to eligible emergency service transporters by providing a federal match for qualifying State-based expenditures. In fiscal 2022, an estimated \$60 million in State expenditures will be matched by equivalent federal Medicaid funds, which will be disbursed to eligible providers. To be eligible to participate in ESPP,

providers must (1) be enrolled as a Medicaid provider; (2) provide ground emergency transport services to Medicaid recipients; and (3) be a jurisdictional emergency medical services operational program.

Additional Information

Prior Introductions: HB 1496 of 2020, a similar bill, received a hearing in the House Health and Government Operations Committee, but no further action was taken.

Designated Cross File: HB 552 (Delegate Hornberger) - Health and Government Operations and Appropriations.

Information Source(s): Montgomery and Wicomico counties; City of Havre de Grace; Maryland Department of Health; Department of Legislative Services

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