



Tennessee Ambulance Medicaid Assessment/Reimbursement Project

As most are aware, the legislation that TASA sponsored to increase Medicaid (TnCare) reimbursement passed the legislature recently and was signed by the Governor. We still have a lot of work ahead of us to get this started but we are well on our way to resolving the tremendous problem of adequate reimbursement for TnCare ambulance transports.

On Thursday May 11 we met with the TnCare Chief Financial Officer to develop a plan to move forward. This was a very productive meeting and the CFO provided details on the current status of CMS regulations and requirements for these programs.

What we know at this point

Negatives

1. **POSSIBLE MEDICAID FUNDING CHANGES:** The current status of Medicaid and Medicare are up in the air as Congress is proposing a replacement for the current Affordable Care Act (aka Obamacare). It is possible, although very slight, that cuts could be made to State Medicaid funding which could impact the success of this project for TN ambulance transportation reimbursement. TnCare will monitor this issue on the federal level and advise us as soon as they receive information.
2. **SUBMISSION OF REQUIRED PAPERWORK TO CMS:** Before the program can move forward TnCare must file paperwork with CMS explaining the program and its benefits. We will be assisting TnCare with this task and hope to have a positive response within 60 – 90 days.
3. **REIMBURSEMENT THROUGH MCO's:** Due to CMS regulation changes last year, state Medicaid programs can no longer use pass through funds to directly pay providers if the state uses managed care organizations (MCO's). This means the increased reimbursement must be paid through the MCO's.
4. **COMPREHENSIVE RATE EVALUATION:** Although TASA has polled services to gain an idea of the cost to provide services, a more comprehensive evaluation will be necessary to identify the new reimbursement rate. This will require a little more work from TASA and TnCare along with cooperation from TN ambulance services.

Positives

5. **REIMBURSEMENT THROUGH MCO's:** It was the desire of TASA and providers across the state to not involve MCO's in any increased reimbursements (see item #3 above). However, we have been assured by TnCare that any new rate established under this program will NOT be reduced due to MCO involvement. We posed this question directly to the TnCare CFO and his response was that if the new rate, for example, is set at \$500 – the MCO's will be issued a directive from TnCare to pay at exactly \$500. In essence this will eliminate the varying contracted rates.
6. **TIMING OF NEW REIMBURSEMENT:** It is hard to estimate the exact timing of the

implementation of the program. We currently feel like September-October is a realistic time frame. There is a lot of work and rule-making that must take place before the program can start. **However, TnCare advises that the new rate(s) will be retroactive to July 1, 2017.**

7. **RATES FOR EMERGENCY VS. NON-EMERGENCY:** After much discussion it was identified that there would likely be a need to establish rates for emergency and non-emergency due to the preparedness costs involved with emergencies. These rates will be identified in the new comprehensive evaluation of cost-per-transport study. We do not see these rates changing much at all from the previous estimate of \$500. We could be looking at a few dollars less on non-emergency and several dollars more on emergency.
8. **REMOVAL OF SERVICES THAT DO NOT BILL FOR TRANSPORTS:** The assessment is federally required to be broad based, uniformly imposed and have no hold harmless provision. However, there are a few ground ambulance services in TN that do not charge for transport services. We are working with TnCare to develop language in the program to exempt these providers from the program.