

## Enhanced Ambulance Medicaid Reimbursement Project

### Do you want to help increase your Medicaid (TnCare) reimbursement rate? We need your help!

TASA has been aggressively working with TnCare officials to improve Medicaid reimbursement for EMS providers in Tennessee. As a result, the program described below is moving forward but we need your information to finalize the numbers and make this work for all EMS ground providers.

### The Issue

All state Medicaid programs are administered by each state under the direction and funding of the federal government – CMS (Medicare). With regards to EMS, the state of TN provides roughly 35% of the funding for TnCare with CMS funding the other 65%. Additional federal funds are available to assist states in assisting providers where reimbursement is significantly lacking.

Early estimates indicate TN EMS providers are under-reimbursed by \$23 million state wide. In order to receive additional funding, the state must provide the 35% match of this shortage. It is the goal of this project to increase current reimbursement to eliminate or at least minimize this shortage.

### How would it work?

EMS ground providers would band together to provide the 35% state match (approx. \$8 million). In turn the state would receive the other 65% (approx. \$15 million) to be dispersed among all EMS providers based upon number of Medicaid (non-dual enrolled) only transports.

**Assessment fee:** The 35% match would be assessed on all providers on a per-transport (all patients – regardless of insurance). Current estimates are that this assessment would be approximately \$8.50 per transport. This fee would be the same for EVERY ground service provider. Assessment payments would be made to the state on a quarterly basis beginning in the 2<sup>nd</sup> quarter of the fiscal year that the legislation is passed.

**Example assessment fee:** Main Street EMS transports 8,000 patients per year. The assessment fee would be \$68,000 per year (8,000 X \$8.50 fee). This would result in a \$17,000 quarterly payment.

**Increased Reimbursement:** Estimates show a possible current average state wide reimbursement of \$225.00 per transport of Medicaid only patients. Provider cost-per-call estimates are approximately \$550.00. The goal is to set the reimbursement rate at the cost-per-call statewide average (currently estimated at \$550). This new rate would cover all ground transports for Medicaid only – from BLS non-emergency to ALS2 and Specialty Care.

TnCare Managed Care Organization (MCO) payments would continue as normal and the State would make up the difference between the average MCO reimbursement (i.e. \$225) and the newly established state wide reimbursement rate (i.e. \$550). Based on the estimates previously mentioned, it is estimated that services would see an increase of \$325 per transport. Again, this new rate would only be paid on Medicaid only ground transports.

**Example reimbursement:** Of the 8,000 ground transports, Main Street EMS's Medicaid-only transport is 6% for a total of 480 transports. Main Street EMS would realize a net revenue increase of \$88,000.00

<b>Main Street EMS example</b>	
# of Medicaid only transports	480
Increased reimbursement	× \$325
	\$156,000
Annual assessment	- \$68,000
Net increased annual revenue	\$88,000

*Disclaimer: This document is for demonstration and discussion purposes ONLY. All calculations, rates, fees and percentages contained in this document are subject and likely to change.*

## Here's where your help is needed!!!

We need every ground transport EMS provider to help us provide the average cost-per-call across the state. This part of the formula will determine the increase in reimbursement.

**Individual information provided by ground EMS services will be held in strict confidence and WILL NOT be shared outside the needs of the program calculations by TASA, State EMS and State Medicaid.**

*Please provide information regarding your service's cost-per-call to help ensure accurate increased reimbursement and that your service is represented within this program.*

EMS Service Name: \_\_\_\_\_

Service State License #: \_\_\_\_\_

Service NPI #: \_\_\_\_\_

### Calendar Year Cost-Per-Call

Total Call Volume 2015: \_\_\_\_\_ **A**

Total Transport Volume 2015: \_\_\_\_\_ **B**

Total Operating Budget: \_\_\_\_\_ **C**  
please include all payroll benefits, general operating expenses and capital outlay

**Cost-Per-Call (C÷B) =** \_\_\_\_\_

Total Medicaid Only Transports: \_\_\_\_\_ **D**  
(DO NOT INCLUDE DUAL ENROLLED)

**% of Medicaid Only Transports (D÷B) =** \_\_\_\_\_

### Service Specific Scenario (optional)

*The calculation below is optional and hypothetical for your information ONLY.*

Annual Assessment Fee (B×\$8.50) = \_\_\_\_\_ **E**  
(PAID TO TNCARE IN QUARTERLY PAYMENTS)

Annual Increased Reimbursement (D×\$325) = \_\_\_\_\_ **F**  
(PAYMENTS FROM TNCARE AS CLAIMS ARE SUBMITTED)

Net Revenue Increase (F-E) = \_\_\_\_\_ **H**

**Our service would be in support of legislation as described above: YES NO**

PLEASE COMPLETE THIS FORM AND FAX TO 615-451-6081 OR EMAIL TO SECRETARY@TENNESSEEAMBULANCE.COM OR GO TO WWW.TENNESSEEAMBULANCE.COM/MEDICAID AND COMPLETE THE ON-LINE FORM

Person completing form (print): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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## **Frequently Asked Questions**

### **What is an EMS ground ambulance provider assessment?**

An EMS provider assessment is being proposed to supply State matching funds for enhanced Medicaid reimbursements. Ground ambulance patient transports are expected to increase from a rate of \$225.00 to \$550.00 for a net increase of \$325.00.

The assessment is federally required to be broad based, uniformly imposed and have no hold harmless provision. This means it is required to be applied to all EMS ground ambulance providers in a standardized and consistent manner.

### **Would this program apply to air medical transport providers?**

No. At this time the program does not address air medical as the level of cost-per-call and reimbursement are not comparable.

### **Will my service lose revenue in this program?**

It is the goal of TASA to introduce legislation that would improve Medicaid reimbursement across the board for EMS providers. It is extremely important that we receive your feedback from the form on the previous sheet. This information will allow us to evaluate the impact on all services in order to make the decision to proceed with the legislation. Although it is our goal that all services will see a net increase, we obviously cannot make any guarantees.

### **What if our service chooses not to participate once the program is implemented?**

There should be no reason why a service would not participate. However, should a service not participate, the State EMS office will have the authority to issue fines and TnCare can elect to withhold Medicaid payments until compliance is met.

### **What if we don't have the funds to pay our assessment fee when the program goes into effect?**

This should not be an issue because the first assessment payment will not be due until the 2<sup>nd</sup> quarter. Example: Program is signed into law July 1, 2017 – First assessment payment would not be due until October (beginning of 2<sup>nd</sup> quarter). This would allow services to collect the new increased reimbursement over a period of 3 months before paying a quarterly assessment.

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