



Enhanced Ambulance Medicaid Reimbursement Project

TASA has been aggressively working with TennCare officials to improve Medicaid reimbursement for EMS providers in Tennessee. Reimbursement for ground ambulance transportation through TennCare Medicaid) do not recognize the actual cost incurred by ground ambulance providers for the provision of emergency medical services – typically 60% - 80% of the actual cost to ground ambulance providers. As a result municipalities and counties are required to use alternative funding sources to supplant the costs incurred for the provision of EMS services to Medicaid recipients.

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 TennCare 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 \$34 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. \$10 million). In turn the state would receive the other 65% (approx. \$20 million) and these funds combined would 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 \$9.20 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 2nd 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 \$73,600 per year (8,000 X \$9.20 fee). This would result in a \$18,400 quarterly payment.

Increased Reimbursement: Estimates show a possible current average state wide reimbursement of \$150.00 per transport of Medicaid only patients. Provider cost-per-call estimates are approximately \$500.00. The goal is to set the reimbursement rate at the cost-per-call statewide average (currently estimated at \$500). 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. \$150) and the newly established state wide reimbursement rate (i.e. \$500). Based on the estimates previously mentioned, it is estimated that services would see an increase of \$350 per transport. Again, this new rate would only be paid on Medicaid transports 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

Main Street EMS example	
# of Medicaid only transports	480
Increased reimbursement	× \$350
	\$168,000
Annual assessment	- \$73,600
Net increased annual revenue	\$94,400