

TennCare Policy Manual	Section: Providers
Policy No: PRO 18-001 (Rev. 2)	Date: March 12, 2021

## Delinquent Balances on Ambulance Service Provider Assessment Fees

### Background

Tennessee law<sup>1</sup> provides for an annual assessment fee to be charged to ground ambulance service providers. While the fee is calculated on an annual basis, affected providers remit payment in quarterly installments. Proceeds from the fee are used to fund covered services under the TennCare program.

Occasionally, ambulance service providers subject to the assessment fee accrue delinquent balances by failing to remit payment in a timely manner. Tennessee law<sup>2</sup> requires TennCare to impose penalties on ambulance service providers that have failed to pay an installment of the assessment fee.

### Policy/Purpose

The purpose of this policy is to ensure that ambulance service providers fulfill their obligations related to the assessment fee in a timely manner. TennCare encourages all affected providers to remit quarterly installment payments by the due dates identified on assessment fee invoices. Although the “Procedures” section of this policy outlines circumstances in which payment plans may be granted, such arrangements should be viewed as a last resort.

### Exclusions

The assessment fee is applicable only to ground ambulance service providers, not to air ambulance service providers. This policy does not apply to ground ambulance service providers that—

- Provide volunteer service and do not charge a fee; or
- Operate on federal bases.

### Procedures

- 1. Determination of delinquency.** Ambulance service providers receive an assessment fee invoice from TennCare each quarter. Each invoice specifies the date by which the quarterly payment is due. Providers that fail to remit the quarterly payment by the 30<sup>th</sup> calendar day following the specified due date will be considered delinquent with regard to their payment obligations.
- 2. Imposition of Penalties.** An ambulance service provider determined by TennCare to be delinquent will be assessed a penalty of \$50 per day after the due date until the quarterly installment payment is received. In addition, any payments that would have been made by TennCare to a delinquent provider will be withheld and applied to the outstanding assessment fee balance until the amount due has been reduced to \$0.

---

<sup>1</sup> TCA § 71-5-1503

<sup>2</sup> TCA § 71-5-1506

TennCare Policy Manual	Section: Providers
Policy No: PRO 18-001 (Rev. 2)	Date: March 12, 2021

- 3. Payment plan.** A provider placed in delinquency status may submit a formal request for a payment plan to TennCare. Such a request should be made on the entity’s letterhead, identify the provider’s proposed terms of repayment, and be addressed to the Division of TennCare. The provider may email the request to [TennCare.Assessments@tn.gov](mailto:TennCare.Assessments@tn.gov).

Upon receipt of a payment plan proposal, the TennCare Assessment Review Committee will review and evaluate not only the request but also the provider that has submitted the request. The Assessment Review Committee has complete discretion in accepting, denying, or proposing alternatives to payment plan requests. The Committee’s decision will be based on an evaluation that takes into account not only the needs of TennCare enrollees, but also the answers to such questions as—

- Has the provider made an effort to pay its assessment fees?
- Does the provider have a history of delinquent payments?
- Does the provider have the financial ability to pay?
- Does the provider have adequate margins (i.e., a proper balance between revenue and cost)?
- Is there a pending bankruptcy or change in ownership?
- Is there a specific circumstance that precipitated the delinquency, and is it likely to recur?
- Has the provider implemented proper corrective actions to prevent future delinquency?
- Does the provider have a history of non-compliance in areas other than fee payment?
- Has the provider acted in good faith, and been open and transparent in dialogue with TennCare?
- Are there other mitigating—or aggravating—factors to be considered?

These questions have been developed by TennCare as a guide and, therefore, may be applied in any manner the agency deems useful. Depending on a particular provider’s history and circumstances, TennCare may place greater emphasis on some questions and/or exclude some questions from the evaluation altogether.

- 4. Prolonged delinquency.** An ambulance service provider whose delinquency extends 90 calendar days past the due date specified on the assessment fee invoice will be reported by TennCare to the Tennessee Department of Health’s Office of Emergency Medical Services for consideration of further sanctions. TennCare will continue to withhold from the provider supplemental payments otherwise owed to the provider, and may also withhold other forms of payment—such as claims reimbursement—until the delinquent balance has been eliminated. A provider who still fails to resolve the outstanding assessment fee balance may be removed from participation in the TennCare program.

TennCare Policy Manual	Section: Providers
Policy No: PRO 18-001 (Rev. 2)	Date: March 12, 2021

5. **Payment of delinquent balance.** Ambulance service providers that have been placed in delinquency status may pay their outstanding balances by check or money order made payable to “Division of TennCare.” This payment must be submitted separately from other quarterly assessment fee payments. TennCare has final discretion in determining delinquency, assessments, and enforcement of this policy.

### **Offices of Primary Responsibility**

TennCare Assessment Review Committee  
Fiscal Office

### **References**

Ground Ambulance Service Provider Assessment Act (T.C.A. §§ 71-5-1501 et seq.)  
<http://www.lexisnexis.com/hottopics/tncode/>

---

Original: 06/18/18: JTR  
Revision 1: 06/26/18: JTR  
Revision 2: 03/12/21: MP