

HCS HB 459 -- FEDERAL REIMBURSEMENT ALLOWANCE FOR AMBULANCE SERVICES (Schaaf)

COMMITTEE OF ORIGIN: Committee on Healthcare Transformation

This substitute creates a federal reimbursement allowance for ground ambulance services. Each ambulance service, except state-owned and -operated ambulances, will be required to pay an ambulance service reimbursement allowance based on a formula established by the Department of Social Services. Each ambulance service is required to keep the records necessary to determine the amount of its reimbursement allowance and submit that information to the Department of Revenue by October 1 of each year.

The Director of the Department of Social Services is required to annually determine and notify each ambulance service by October 1 of the amount of its reimbursement allowance due. If requested by the ambulance service, the department is authorized to offset the federal reimbursement allowance against any MO HealthNet Program payment due to the ambulance service.

Each ambulance service reimbursement allowance determination is final, unless the ambulance service files a protest with the department director within 30 days of receipt of the written notice. If a timely protest is filed, the director must reconsider the determination and grant a hearing within 45 days if one is requested. The director's final decision which must be made within 45 days after the hearing may be appealed to the Administrative Hearing Commission.

The Ambulance Service Reimbursement Allowance Fund is created to provide payment to ambulance services. All investment earnings of the fund must be credited to it.

The ambulance reimbursement allowance period will be from October 1 to September 30. The department is required to annually notify each ambulance service on September 30 of the balance due. If an ambulance service fails to pay its reimbursement allowance within 30 days of the notice, the reimbursement allowance is considered delinquent and the department may proceed with a lien against the ambulance service's property; deny, suspend, or revoke its license; and cancel or refuse to issue or extend its MO HealthNet provider agreement.

The provisions of the substitute will apply only as long as the revenues generated are eligible for federal participation under the MO HealthNet Program. The substitute requires the department to provide copies of the proposed program rules to all interested

parties 72 hours before filing them with the Secretary of State. The department director is required to maintain a list of registered interested parties.

Currently, ambulance reimbursement under the MO HealthNet Program is made through a base fee, which includes the first five miles of transport, and mileage for the remainder of the transport. The substitute requires reimbursement to be made based on mileage calculations from the point of pick up to the destination.

The provisions regarding the ambulance reimbursement tax will expire September 30, 2011.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$24,725 in FY 2010, \$30,547 in FY 2011, and \$31,463 in FY 2012. No impact on Other State Funds in FY 2010, FY 2011, and FY 2012.