

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909



August 27, 2008

Ms. Elizabeth A. Johnson
Commissioner
Cabinet for Health and Family Services
Department of Medicaid Services
275 East Main Street, 6W-A
Frankfort, Kentucky 40621-0001

Attention: Kevin Skceters

RE: Kentucky Title XIX State Plan Amendment, Transmittal #08-001

Dear Ms. Johnson:

We have reviewed the proposed amendment to the Kentucky Medicaid State Plan that was received under transmittal number 08-001 on February 19, 2008. This plan amendment pertains to an emergency administrative regulation being promulgated to increase ambulance transportation reimbursement in order to offset fuel price increases.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 08-001 was approved on August 25, 2008. The effective date for this amendment is January 01, 2008. We are also enclosing the approved HCFA-179 and plan pages.

If you have any questions or need any further assistance, please contact Maria Donatto at 404-562-3697 or Yvette Moore at (404) 562-7327.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Kaye Justis". The signature is written in a cursive, flowing style.

Mary Kaye Justis, RN, MBA
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
08-001

2. STATE
Kentucky

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2008

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 U.S.C. 1396, 42 C.F.R. 440.170, 447.200 -447.205

7. FEDERAL BUDGET IMPACT:
a. FFY 2008 cost \$525,000
b. FFY 2009 cost \$525,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 4.19-B pages 20.11 and 20.12

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same

10. SUBJECT OF AMENDMENT:

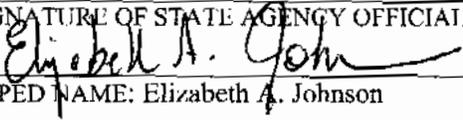
This plan amendment changes the rates for Ambulance services in response to state regulation changes.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Review delegated
to Commissioner, Department for Medicaid
Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME: Elizabeth A. Johnson

14. TITLE: Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: February 14, 2008

16. RETURN TO:

Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

02/19/08

18. DATE APPROVED:

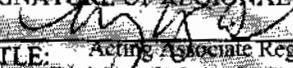
08/25/08

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

01/01/08

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Mary Kaye Justus, RN, MBA

22. TITLE: Acting Associate Regional Administrator

Division of Medicaid & Children's Health Opns

23. REMARKS:

VII: Transportation ServicesA. Ambulance Services

- (1) The department shall reimburse an ambulance service at the lesser of the provider's usual and customary charge or an upper limit established by the department for the service. Payment for an ambulance service shall be contingent upon a statement of medical necessity.
- (2) The upper limit for air ambulance transportation shall be set at \$3,500 per one (1) way trip.
- (3) The upper limit for an ambulance service (other than air ambulance transportation) shall be calculated by adding a base rate, mileage allowance, and flat rate fee as follows:
 - (a) The base rate for Advanced Life Support (ALS) emergency ambulance transportation to the emergency room of a hospital shall be set at \$110 per one (1) way trip; the mileage allowance for trips shall be four (4) dollars per mile for mileage from mile one (1); a flat rate of twenty-five (25) dollars shall be set for each additional recipient with no additional allowance for mileage.
 - (b) The base rate for Basic Life Support (BLS) emergency ambulance transportation to the emergency room of a hospital shall be set at eighty-two dollars and fifty cents (82.50) per one (1) way trip; the mileage allowance for trips shall be three (3) dollars per mile for mileage from mile one (1); a flat rate of twenty (20) dollars shall be set for each additional recipient with no additional allowance for mileage.
 - (c) The base rate for any ALS or BLS providing emergency ambulance transportation to an appropriate medical facility or provider other than the emergency room of a hospital shall be set at sixty (60) dollars per one (1) way trip; the mileage allowance for trips shall be two (2) dollars and fifty (50) cents per mile for mileage from mile one (1); a flat rate of fifteen (15) dollars shall be set for each additional recipient with no additional rate for mileage.
 - (d) The base rate for BLS emergency ambulance transportation to the emergency room of a hospital during which the services of an ALS Medical First Response provider is required to stabilize the patient shall be \$110; the mileage allowance shall be four (4) dollars per mile from mile one (1); a flat rate of twenty-five (25) dollars shall be set for each additional recipient with no additional rate for mileage.

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- (e) The base rate for BLS emergency ambulance transportation to a medical facility or provider other than the emergency room of a hospital during which the services of an ALS Medical First Response provider are required shall be sixty (60) dollars; the mileage allowance shall be two (2) dollars and fifty (50) cents per mile from mile one (1); a flat rate of fifteen (15) dollars shall be set for each additional recipient with no additional rate for mileage.
- (f) The base rate for non-emergency ambulance transportation during which the recipient requires no medical care during transport shall be fifty-five (55) dollars and the mileage allowance shall be two (2) dollars per mile from mile one (1).
- (g) The cost of other itemized supplies for ALS or BLS emergency transportation services shall be the actual cost as reflected on the transportation provider's invoice which shall be maintained in the provider's files and shall be produced upon request by the department. Each quarter, the department shall review a random sample of invoices to verify reported costs.
- (4) In addition to the rates described in paragraph (3) above, administration of oxygen during an ambulance transportation service (other than air ambulance transportation) shall be reimbursed at a flat rate of ten (10) dollars per one (1) way trip when medically necessary.
- (5) Reimbursement for an ambulance service shall not be made if a recipient receives transportation free as the result of a local subscription fee or tax.

B. Commercial Transportation Carriers

When a broker has been terminated, the department shall reimburse participating commercial transportation carriers at usual commercial rates on an interim basis (pending selection of a new broker) with limitations as follows:

- (1) For taxi services provided in regulated areas the provider shall be reimbursed the normal passenger rate charged to the general public for a one (1) way trip regardless of the number of Medicaid eligible recipients transported when the trip is within the medical service area. The taxi shall be paid the single passenger rate regardless of the number of additional passengers.
- (2) For taxi services in those areas of the state where taxi rates are not regulated by the appropriate local rate setting authority, and for taxi services in regulated areas when they go outside the medical service area, the provider shall be reimbursed the normal passenger rate charged the general public for a single passenger (without payment for additional passengers, if any) up to the upper limit; reimbursement for transport of a parent or attendant shall be considered included within the upper limit allowed for the trip. The upper limit for a taxi transporting a recipient shall be: