

1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Department for Medicaid Services

3 Division of Hospital and Provider Operations

4 (Amendment)

5 907 KAR 1:061. Payments for ambulance transportation.

6 RELATES TO: KRS 205.520, 205.8451, 42 U.S.C. 1396, 42 C.F.R. 440.170, 447.200
7 -447.205, 2005 Ky Acts ch 173 Parts I., A.22.(i), I., H.3.b.(19)

8 STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3)

9 NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family
10 Services, Department for Medicaid Services has responsibility to administer the Medi-
11 caid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to
12 comply with any requirement that may be imposed, or opportunity presented, by federal
13 law for the provision of medical assistance to Kentucky's indigent citizenry. This admin-
14 istrative regulation establishes the method for determining amounts payable by the De-
15 partment for Medicaid Services for ambulance transportation services.

16 Section 1. Definitions. (1) "Advanced life support (ALS) emergency ambulance trans-
17 portation" means an ambulance service meeting the standards for advanced life support
18 services established in accordance with 202 KAR 7:580 and 202 KAR 7:584.

19 (2) "Advanced Life Support (ALS) Medical First Response Provider" means an emer-
20 gency medical professional licensed in accordance with 202 KAR 7:595 to provide ALS
21 care.

1 (3) "Air ambulance provider" means an air ambulance service licensed in accordance
2 with 202 KAR 7:510 and 202 KAR 7:590.

3 (4) "Appropriate medical facility or provider" means a local medical provider other
4 than an emergency room of a hospital who can provide necessary emergency care if a
5 hospital emergency room is not located within a recipient's county of residence or a con-
6 tiguous county.

7 (5) "Basic life support (BLS) emergency ambulance transportation" means an ambu-
8 lance service which meets the standards for basic life support services established in
9 202 KAR 7:580 and 202 KAR 7:582.

10 (6) "Department" means the Department for Medicaid Services or its designated
11 agent.

12 (7) "Membership or subscription fee" means a payment collected from a recipient by
13 a provider which entitles the recipient to free or discounted ambulance transportation
14 services.

15 (8) "Recipient" is defined in KRS 205.8451(9).

16 (9) "Upper limit" means the maximum reimbursement rate the department shall pay
17 an ambulance transportation provider for the service provided.

18 Section 2. Reimbursement for Licensed Ambulance Services. (1) The department
19 shall reimburse an ambulance service at the lesser of:

20 (a) The provider's usual and customary charge for the service; or

21 (b) An upper limit established in this section for the service plus, if applicable, a rate
22 for oxygen and reimbursement for disposable medical supplies utilized during an ambu-
23 lance transportation service.

1 (2) Except for an air ambulance transportation service, the upper limit for an ambu-
2 lance service shall be calculated by adding a base rate, mileage allowance, and flat rate
3 fees as follows:

4 (a) For ALS emergency ambulance transportation to the emergency room of a hospi-
5 tal:

- 6 1. A base rate of 110~~[400]~~ dollars;
- 7 2. A mileage allowance of four (4) dollars per mile; and
- 8 3. If transported concurrently, a flat rate of twenty-five (25) dollars for an additional
9 recipient;

10 (b) For BLS emergency ambulance transportation to the emergency room of a hospi-
11 tal:

- 12 1. A base rate of eighty-two (82) dollars and fifty (50) cents~~[seventy-five (75) dollars]~~;
- 13 2. A mileage allowance of three (3) dollars per mile; and
- 14 3. If transported concurrently, a flat rate of twenty (20) dollars for an additional recipi-
15 ent;

16 (c) For ALS or BLS emergency ambulance transportation to an appropriate medical
17 facility or provider:

- 18 1. A base rate of sixty (60)~~[fifty-five (55)]~~ dollars;
- 19 2. A mileage allowance of two (2) dollars and fifty (50) cents per mile; and
- 20 3. If transported concurrently, a flat rate of fifteen (15) dollars for an additional recipi-
21 ent;

22 (d) For BLS emergency ambulance transportation to the emergency room of a hospi-
23 tal during which the services of an ALS Medical First Response provider is required to

1 stabilize the recipient:

2 1. A base rate of 110~~[100]~~ dollars;

3 2. A mileage allowance of four (4) dollars per mile; and

4 3. If transported concurrently, a flat rate of twenty-five (25) dollars for an additional
5 recipient;

6 (e) For BLS emergency ambulance transportation to an appropriate medical facility or
7 provider during which the services of an ALS Medical First Response provider are re-
8 quired:

9 1. A base rate of sixty (60)~~[fifty-five (55)]~~ dollars;

10 2. A mileage allowance of two (2) dollars and fifty (50) cents per mile; and

11 3. If transported concurrently, a flat rate of fifteen (15) dollars for an additional recipi-
12 ent; and

13 (f) For non emergency ambulance transportation during which the recipient requires
14 no medical care during transport:

15 1. A base rate of fifty-five (55)~~[fifty (50)]~~ dollars; and

16 2. A mileage allowance of two (2) dollars per mile.

17 (3) In addition to the rates specified in subsection (2) of this section, the department
18 shall reimburse for:

19 (a) The administration of oxygen during an ambulance transportation service at a flat
20 rate of ten (10) dollars per one (1) way trip if medically necessary; and

21 (b) The cost of disposable supplies actually utilized during an ambulance transporta-
22 tion service if the provider lists the supplies used during the service on an invoice. The
23 department shall not reimburse for a supply item that is not disposable or is not actually

1 used during the ambulance transportation service.

2 (4) Reimbursement for air ambulance transportation shall be an all inclusive rate
3 which shall be the lesser of:

4 (a) The provider's usual and customary charge; or

5 (b) An upper limit of \$3,500 per one (1) way trip.

6 (5) Payment for a service identified in subsections (2) through (4) of this section shall
7 be contingent upon a statement of medical necessity which:

8 (a) Shall be maintained in accordance with 907 KAR 1:060, Section 5(2); and

9 (b) May be requested by the department for post-payment review.

10 (6) If a recipient has paid a membership or subscription fee to a transportation pro-
11 vider, the provider shall not be eligible for Medicaid reimbursement for service provided
12 to the recipient.

13 Section 3. Appeal Rights. (1) An appeal of a negative action regarding a Medicaid re-
14 cipient shall be in accordance with 907 KAR 1:563.

15 (2) An appeal of a negative action regarding Medicaid eligibility of an individual shall
16 be in accordance with 907 KAR 1:560.

17 (3) An appeal of a negative action regarding a Medicaid provider shall be in accor-
18 dance with 907 KAR 1:671.

907 KAR 1:061

REVIEWED:

Date

Shawn M. Crouch, Commissioner
Department for Medicaid Services

APPROVED:

Date

Mark D. Birdwhistell, Secretary
Cabinet for Health and Family Services

907 KAR 1:061

A public hearing on this administrative regulation shall, if requested, be held on December 21, 2007, at 9:00 a.m. in the Cabinet for Health and Family Services Cafeteria Meeting Room, First Floor, 275 East Main Street, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by December 14, 2007, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. You may submit written comments regarding this proposed administrative regulation until close of business January 2, 2008. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Jill Brown, Office of Legal Services, 275 East Main Street 5 W-B, Frankfort, KY 40601, (502) 564-7905, Fax: (502) 564-7573

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation #: 907 KAR 1:061

Cabinet for Health and Family Services

Department for Medicaid Services

Agency Contact Person: Stuart Owen (502) 564-6204 or Barry Ingram (502) 564-5969

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation establishes Medicaid ambulance transportation reimbursement.
 - (b) The necessity of this administrative regulation: This administrative regulation is necessary to comply with federal and state laws requiring provision of medical services to Kentucky's indigent citizenry.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation allows for the provision of medically necessary health services identified in KRS 205.560 and 205.6314.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation provides the criteria for the provision of emergency and non-emergency transportation by ambulance of a Medicaid recipient to a necessary medical service.

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation: This amendment increases ambulance transportation reimbursement in order to offset fuel price increases in order to ensure an adequate supply of Medicaid ambulance transportation providers. Increases shall be as follows: the base rate for Advanced Life Support (ALS) emergency ambulance transportation to an emergency room will increase from \$100.00 to \$110.00; the base rate for Basic Life Support (BLS) emergency ambulance transportation to an emergency room and during which the services of an ALS medical first response provider becomes required to stabilize the recipient is increased from \$100.00 to \$110.00; the base rate for Basic Life Support (BLS) emergency ambulance transportation to an emergency room will increase from \$75.00 to \$82.50; the base rate for ALS or BLS emergency ambulance transportation to a medical facility or provider (other than an emergency room) will increase from \$55.00 to \$60.00; the base rate for Basic Life Support (BLS) emergency ambulance transportation to a medical facility or provider (other than an emergency room) and during which the services of an ALS medical first response provider becomes required is increased from \$55.00 to \$60.00; and the base rate for non-emergency ambulance transportation during which the recipient requires no medical care during transport will increase from \$50.00 to \$55.00.
 - (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to increase ambulance transportation reimbursement in order to offset fuel price increases. This action is necessary to ensure an adequate

- supply of Medicaid ambulance transportation providers.
- (c) How the amendment conforms to the content of the authorizing statutes: This amendment conforms to the content of the authorizing statutes by increasing ambulance transportation reimbursement (to offset fuel price increases) to ensure an adequate supply of Medicaid ambulance transportation providers.
 - (d) How the amendment will assist in the effective administration of the statutes: This amendment will assist in the effective administration of the authorizing statutes by increasing ambulance transportation reimbursement (to offset fuel price increases) to ensure an adequate supply of Medicaid ambulance transportation providers.
- (3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: This administrative regulation will affect all ambulance transportation providers.
 - (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment. Ambulance transportation providers will not have to take action to comply with the amendment.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3). No cost is being imposed on ambulance transportation providers as a result of the amendment.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3). Ambulance transportation providers will receive increased reimbursement as a result of the amendment.
 - (5) Provide an estimate of how much it will cost to implement this administrative regulation:
 - (a) Initially: The Department for Medicaid Services (DMS) estimates that the increases will cost approximately \$755,000 (\$525,000 federal funds and \$230,000 state funds) annually.
 - (b) On a continuing basis: DMS estimates that the increases will cost approximately \$755,000 (\$525,000 federal funds and \$230,000 state funds) annually.
 - (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The sources of revenue to be used for implementation and enforcement of this administrative regulation are federal funds authorized under Title XIX of the Social Security Act, matching funds from general fund appropriations.
 - (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in funding will be necessary.

- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This amendment does not establish or increase fees.

- (9) Tiering: Is tiering applied? (Explain why tiering was or was not used)
Ambulance transportation reimbursement is tiered based on the medical condition of the recipient being transported or nature of transportation being provided.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Reg NO: 907 KAR 1:061 Contact Person: Stuart Owen (502) 564-6204 or Barry Ingram (502) 564-5969

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments or school districts)?

Yes X No _____
If yes, complete 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This amendment will affect state government.

3. Identify each state or federal regulation that requires or authorizes the action taken by the administrative regulation. The amendment is authorized by KRS 194A.030(2), 194A.050(1), 205.520(3), 42 CFR 447.200 and 42 CFR 447.204.

4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? The Department for Medicaid Services (DMS) anticipates receiving no revenue as a result of this amendment; however, some local governments do own ambulance companies who provide transportation for Medicaid recipients. Such companies will receive increased reimbursement; however, DMS does not have an estimated revenue impact.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? The Department for Medicaid Services (DMS) anticipates receiving no revenue as a result of this amendment; however, some local governments do own ambulance companies who provide transportation for Medicaid recipients. Such companies will receive increased reimbursement; however, DMS does not have an estimated revenue impact.

(c) How much will it cost to administer this program for the first year? DMS estimates that the increases will cost approximately \$755,000 (\$525,000 federal funds and \$230,000 state funds) annually.

(d) How much will it cost to administer this program for subsequent years? DMS estimates that the increases will cost approximately \$755,000 (\$525,000 federal

funds and \$230,000 state funds) annually.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): The Department for Medicaid Services (DMS) anticipates receiving no revenue as a result of this amendment; however, some local governments do own ambulance companies who provide transportation for Medicaid recipients. Such companies will receive increased reimbursement; however, DMS does not have an estimated revenue impact

Expenditures (+/-): _____

Other Explanation: