

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1496 (Delegate Corderman, *et al.*)
 Health and Government Operations

Medical Assistance Program - Emergency Service Transporters -
 Reimbursement for Transportation and Medical Services

This bill requires the Maryland Department of Health (MDH) to reimburse an emergency service transporter for mileage accrued in response to a 9-1-1 call for a Medicaid recipient at a rate of \$3 per mile. Beginning in fiscal 2021, MDH must increase the amount of reimbursement for transportation of a Medicaid recipient to a facility and any medical services provided while transporting the Medicaid recipient to a facility in response to a 9-1-1 call by \$25 each fiscal year until the reimbursement for the services is at least \$300.

Fiscal Summary

State Effect: Medicaid expenditures increase by \$5.0 million (50% general funds, 50% federal funds) in FY 2021. Federal fund revenues increase accordingly. Future years reflect annualization and annual increases in reimbursement for transportation and medical services. **The bill increases the cost of an entitlement program beginning in FY 2021.**

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
FF Revenue	\$2.5	\$4.8	\$6.2	\$7.7	\$9.1
GF Expenditure	\$2.5	\$4.8	\$6.2	\$7.7	\$9.1
FF Expenditure	\$2.5	\$4.8	\$6.2	\$7.7	\$9.1
Net Effect	(\$2.5)	(\$4.8)	(\$6.2)	(\$7.7)	(\$9.1)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local government revenues increase from additional reimbursement for emergency service transport and medical services, as well as mileage. Expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: If an emergency service transporter (which includes a public entity or volunteer fire, rescue, or emergency medical service that provides emergency medical services – collectively EMS provider) charges for its services and requests reimbursement from Medicaid, MDH must reimburse the emergency service transporter, in an amount as specified by MDH regulations, for the cost of (1) transportation to a facility in response to a 9-1-1 call and (2) medical services provided while transporting the Medicaid recipient to a facility in response to a 9-1-1 call.

Background: The current Medicaid reimbursement rate is \$100 per transport. This reimbursement is provided regardless of whether the care provided is at the advanced life support or basic life support level. Services, medications, and supplies provided by EMS at a scene or during transport are not eligible for separate reimbursement outside the \$100 transport fee. Medicaid does not reimburse for mileage. To be eligible for reimbursement, EMS must have been dispatched by a 9-1-1 call center and the ambulance must transport the patient to a hospital emergency department, among other requirements.

State Fiscal Effect: Medicaid expenditures increase by \$5,023,119 (50% general funds, 50% federal funds) in fiscal 2021, which reflects the bill's October 1, 2020 effective date. This estimate reflects the cost of (1) increasing the reimbursement rate for emergency transports from \$100 to \$125 and (2) reimbursing for mileage for ambulance transport.

Increased Reimbursement for Transportation and Medical Services

In calendar 2018, Medicaid reimbursed emergency service transporters for 115,474 transports at a rate of \$100 per transport, resulting in a total cost of \$11.5 million. Assuming the number of transports remains constant, Medicaid expenditures increase by \$2,165,138 in fiscal 2021 to increase reimbursement to \$125 per transport; as noted above, this estimate accounts for the bill's October 1, 2020 effective date. Federal fund revenues increase accordingly. To the extent the number of transports varies, costs increase or decrease accordingly.

Future year expenditures reflect an increase in the rate as follows: \$150 in fiscal 2022; \$175 in fiscal 2023; \$200 in fiscal 2024; and \$225 in fiscal 2025. Rates continue to increase by \$25 increments until reaching \$300 in fiscal 2028 for an additional annual cost of \$23.1 million that year and in subsequent years.

Reimbursement for Mileage

Based on an estimated average mileage per transport of 11 miles, the average mileage reimbursement is anticipated to be \$33 per transport (at a rate of \$3 per mile). Assuming

the number of transports remains constant, Medicaid expenditures increase by \$2,857,982 in fiscal 2021 to provide reimbursement for mileage, which accounts for the bill's October 1, 2020 effective date. In future years, mileage reimbursement costs increase to \$3,810,642. Federal fund revenues increase accordingly. To the extent the average mileage per transport and the number of transports vary, costs increase or decrease accordingly.

Local Revenues: Local government EMS providers statewide receive \$5.0 million in additional reimbursement for transport, medical services, and mileage provided to Medicaid recipients in fiscal 2021. Medicaid reimbursement increases by \$18.2 million in fiscal 2025 and, beginning in fiscal 2028, by \$26.9 million.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Department of Legislative Services

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Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510