

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 865  
Finance

(Senator Corderman, *et al.*)

---

Maryland Medical Assistance Program - Emergency Service Transporters -  
Reimbursement

---

This bill requires Medicaid to reimburse an emergency service transporter for the cost of transportation provided to a Medicaid recipient in response to a 9-1-1 call and medical services provided to a Medicaid recipient during transport regardless of whether the recipient is transported *to a facility*.

---

Fiscal Summary

**State Effect:** Medicaid expenditures increase by an indeterminate amount (50% general funds, 50% federal funds) beginning in FY 2022, as discussed below. Federal fund revenues increase accordingly. **This bill increases the cost of an entitlement program beginning in FY 2022.**

**Local Effect:** Local government revenues and related expenditures may increase beginning in FY 2022.

**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, the Maryland Department of Health (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.

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. 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 (ED), among other requirements.

Chapter 605 of 2018 required the Maryland Health Care Commission (MHCC) and the Maryland Institute for Emergency Medical Services Systems (MIEMSS) to, among other things, jointly develop a statewide plan for the reimbursement of services provided by EMS providers to Medicaid recipients. The [report](#) was submitted in January 2019.

**State Fiscal Effect:** The bill requires Medicaid to reimburse for transportation provided to a Medicaid recipient in response to a 9-1-1 call (regardless of whether the patient is transported *to a facility*) and medical services provided during transport.

According to the MHCC/MIEMSS report, alternative destination programs transport 9-1-1 patients with low acuity conditions to an urgent care environment instead of a hospital ED. Maryland EMS data shows that close to 60% of current EMS transportation is for individuals with conditions that do not require an ED level of care. Directing a subset of these patients from the ED to urgent care centers or other more appropriate settings could have a significant impact on costs, ED overcrowding and wait times, EMS unit turn-around times, and patient satisfaction.

MIEMSS has previously advised that approximately 13% of calls to 9-1-1 do not result in transport to a hospital ED. In calendar 2018, Medicaid reimbursed emergency service transporters for 115,474 transports. Assuming a total of 132,729 calls were made to 9-1-1 by Medicaid recipients, under the bill, Medicaid must reimburse for transportation (and medical services provided during that transportation) to *as many as* 17,255 additional individuals. The exact number of these individuals who would be transported to an alternative destination is unknown.

Thus, Medicaid expenditures (50% general funds, 50% federal funds) increase by an indeterminate amount beginning in fiscal 2022. Federal fund revenues increase accordingly. *For illustrative purposes only*, assuming a reimbursement rate of \$100 per encounter for transportation and medical services, if 10% of these individuals (1,725) are transported to alternative destinations, Medicaid expenditures increase by \$172,550 (50% general funds, 50% federal funds) on an annual basis. If 25% of these

individuals (4,314) are transported to alternative destinations, Medicaid expenditures increase by \$431,375 (50% general funds, 50% federal funds) on an annual basis. If all 17,255 individuals are transported to alternative destinations, Medicaid expenditures increase by \$1,725,500 (50% general funds, 50% federal funds) on an annual basis.

To the extent that Medicaid recipients are transported to alternative destinations in lieu of a hospital ED, Medicaid expenditures may be offset by savings from recipients being treated in lower-cost care settings.

**Local Fiscal Effect:** Local government EMS providers receive additional reimbursement for transport and medical services provided to Medicaid recipients beginning in fiscal 2022. Local government EMS expenditures may increase to provide services, but such expenditures are assumed to be commensurate with revenue from Medicaid reimbursements.

**Additional Comments:** MDH advises that it has submitted a Medicaid State plan amendment that will create a public Emergency Service Transporter Supplemental Payment Program (ESPP). The proposed amendment will increase funding to eligible emergency service transporters by providing a federal match for qualifying State-based expenditures. In fiscal 2022, an estimated \$60 million in State expenditures will be matched by equivalent federal Medicaid funds, which will be disbursed to eligible providers. To be eligible to participate in ESPP, providers must (1) be enrolled as a Medicaid provider; (2) provide ground emergency transport services to Medicaid recipients; and (3) be a jurisdictional emergency medical services operational program.

MDH further advises that, as part of the upcoming Medicaid § 1115 Waiver renewal, the department will request to pilot a voluntary Emergency Triage, Treat, and Transport (known as ET3) program to provide greater flexibility to ambulance care teams to address emergency health care needs following a 9-1-1 call. Reimbursement will be provided for transportation to an alternative destination partner or to initiate and facilitate treatment in place with a qualified health care partner, either at the scene of the emergency response or via telehealth.

---

## **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - March 9, 2021  
rh/ljm

---

Analysis by: Jennifer B. Chasse

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