



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Acting Secretary

February 2, 2021

The Honorable Delores G. Kelley
Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

RE: SB 389 – Maryland Medical Assistance Program - Emergency Service Transporters – Reimbursement – Letter of Information

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information on Senate Bill 389 (SB 389) – Maryland Medical Assistance Program - Emergency Service Transporters – Reimbursement.

SB 389 requires MDH to increase the amount of reimbursement for emergency medical transportations of Medicaid beneficiaries by \$25.00 each fiscal year, beginning in State Fiscal Year 2022 (SFY22), until the reimbursement is at least \$300.00. The bill would also require MDH to reimburse for Emergency Medical Services (EMS) transporters for every transport completed. In CY18, the Medicaid Program reimbursed EMS providers for 115,474 emergency transports at the flat rate of \$100¹ per transport, subject to a 50% federal match. The Maryland Institute for Emergency Medical Services Systems (MIEMSS) estimated that 13% of participants who called 911 from CY 2015 through CY 2018 did not receive transport. Assuming the 115,474 transports represent 87% of calls that would be eligible for payment under SB 389, the Department would also expect an additional 17,255 new transports would be eligible for reimbursement under the bill.

Increasing the rate by \$25 every fiscal year and paying for an additional 17,255 new transports annually would add the following to the cost of transportations:

FY22	\$5.04 million TF (\$2.52 million GF, \$2.52 million FF)
FY23	\$8.4 million TF (\$4.2 million GF, \$4.2 million FF)
FY24	\$11.7 million TF (\$5.84 million GF, \$5.84 million FF)
FY25	\$15 million TF (\$7.5 million GF, \$7.5 million FF)
FY26	\$18.3 million TF (\$9.16 million GF, \$9.16 million FF)

MDH recognizes the challenges faced by EMS providers as they face high volumes of 9-1-1 calls and emergency department wait times that exceed the national average. To that end, MDH has submitted, pending approval, an amendment to the Maryland State Medical Assistance State Plan that will create a public Emergency Service Transporter Supplemental Payment Program (ESPP) for eligible public EMS providers. The payment will be based on Certification of Public Expenditures (CPE) and matching federal

¹ This fee has not been updated since 1999.

Medicaid funds. **No new state general funds will be used; therefore, this program is budget neutral to MDH except for administrative costs associated with program administration.**

The proposed State Plan Amendment will increase funding to eligible Emergency Service Transporters by providing a federal match for qualifying state-based expenditures incurred through the provision of qualifying services as documented in a CPE. Eligible EMS providers would be able to document their total cost of providing an emergency medical transport, and receive a 50% federal match for the difference between that total expended cost and the Medicaid reimbursement for transports (currently \$100). In SFY22, an estimated \$60 million in State expenditures will be matched by \$60 million in federal Medicaid funds. These federal matching funds will be dispersed to eligible providers based on the CPEs submitted.

Currently, 14 of the 105 EMS providers in Maryland are eligible. In CY18, these 14 Jurisdictional EMS Operation Programs provided 82% of Medicaid EMS transports. It is expected that this number will rise as more providers meet the requirements. Most of the ineligible providers are commercial services and volunteer fire departments, as they do not have qualifying state-based expenditures.

If the ESPP is approved by CMS, and SB 389 passes, then the applicable Medicaid reimbursement rate would be used in the yearly CPE calculations for eligible emergency service transporters.

I hope this information is useful. If you would like to discuss this further, please contact me at webster.ye@maryland.gov or Deputy Director of Governmental Affairs, Heather Shek, at (443) 695-4218 410-260-3190 or heather.shek@maryland.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Webster Ye".

Webster Ye
Assistant Secretary