



DEPARTMENT OF HEALTH

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

February 8, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: SB 295 – 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 (SB) 295 – Maryland Medical Assistance Program – Emergency Service Transporters – Reimbursement.

SB 295 requires MDH to increase the amount of reimbursement for emergency medical services for Medicaid beneficiaries by \$25 each fiscal year, starting in FY23, and continue until the reimbursement is at least \$300. The bill would also require MDH to reimburse for emergency medical services (EMS) transporters for services provided regardless of whether transportation was completed. Additionally, unlike the cross-filed bill (House Bill (HB) 44), SB 295 would further require MDH to pay for mobile integrated health (MIH) services, which are not currently a covered benefit.

In CY18, the Medicaid Program reimbursed emergency service transporters for 115,474 emergency transports at a rate of \$100 per transport, with a Federal Medical Assistance Percentage (FMAP) of 50%. The Maryland Institute for Emergency Medical Services Systems (MIEMSS) estimated that 13 percent 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 SB295, MDH would also expect an additional 17,255 new transports would be eligible for reimbursement under the bill.

Increasing the current EMS 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:

| | |
|------|--|
| FY23 | \$5.04 million TF (\$2.52 million GF, \$2.52 million FF) |
| FY24 | \$8.4 million TF (\$4.2 million GF, \$4.2 million FF) |
| FY25 | \$11.7 million TF (\$5.84 million GF, \$5.84 million FF) |
| FY26 | \$15 million TF (\$7.5 million GF, \$7.5 million FF) |
| FY27 | \$18.3 million TF (\$9.16 million GF, \$9.16 million FF) |

For the MIH component, which is not included in the cross-filed bill (HB 44), MDH estimates the fiscal impact would be \$850,000 per year, subject to a 50% FMAP. This estimate is based on pre-COVID-19 Medicaid enrollment (1,415,631 individuals) and a 0.03% uptake of services at \$2,000 per person. It is

possible that savings may be realized due to offsets in hospital emergency department utilization and hospital admissions, but these cannot be quantified.

MDH recognizes the challenges faced by EMS providers as they face high volumes of 911 calls and emergency department wait times that exceed the national average. As such, on March 16, 2021, CMS approved an amendment to the Maryland State Medical Assistance State Plan that creates a public Emergency Service Transporter Supplemental Payment Program (ESPP) for eligible public Emergency Service Transportation providers. The payment is based on Certification of Public Expenditures (CPE) and matching federal Medicaid funds. No State general funds will be used; therefore, this program is budget neutral to MDH except for administrative costs associated with program administration.

The ESPP amendment increases 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. In State Fiscal Year 2022 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 have signed ESPP participation agreements with MDH. In CY18, these 14 Jurisdictional EMS Operation Programs provided 82% of Medicaid EMS transports. It is expected that this number will rise to a maximum of 24 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 you have any questions, please contact Heather Shek, Director of Governmental Affairs, at heather.shek@maryland.gov or (443) 695-4218.

Sincerely,



Dennis R. Schrader
Secretary