

2016 Regular Session

HOUSE BILL NO. 662

BY REPRESENTATIVE BARRAS

MEDICAID: Provides for a fee on emergency ground ambulance service providers

1 AN ACT

2 To enact R.S. 46:2625.1, relative to emergency ground ambulance service provider fees; to  
3 authorize a provider fee on emergency ground ambulance service providers; to  
4 establish the maximum allowable fee amount; to provide for definitions; to provide  
5 for disposition of collected fees; to provide for enhanced reimbursements; to provide  
6 for the termination of the assessment; to require the Department of Health and  
7 Hospitals to take certain actions; to provide for an effective date; and to provide for  
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 46:2625.1 is hereby enacted to read as follows:

11 §2625.1. Fees on emergency ground ambulance service providers; disposition of  
12 fees

13 A. The Department of Health and Hospitals may adopt and impose fees for  
14 healthcare services provided by the Medicaid program on emergency ground  
15 ambulance service providers. The amount of any fee shall not exceed the total cost  
16 to the state of providing the healthcare service subject to the fee.

17 B. The amount of the fees imposed in the first year under the rules and  
18 regulations adopted pursuant to this Section shall not exceed one and one-half

1 percent of the net operating revenue of emergency ground ambulance service  
2 providers as defined in Subsection I of this Section.

3 C. Any fee authorized by and imposed pursuant to this Section shall be  
4 considered an allowable cost for the purposes of insurance or other third party  
5 reimbursements and shall be included in the establishment of reimbursement rates.

6 D. Subject to the exceptions contained in Article VII, Section 9(A) and  
7 Article VII, Section 10.14 of the Constitution of Louisiana, all fees collected by the  
8 department pursuant to the authority granted in this Section shall be paid into the  
9 state treasury and shall be credited to the Bond Security and Redemption Fund. Out  
10 of the funds remaining in the Bond Security and Redemption Fund after a sufficient  
11 amount is allocated from that fund to pay all obligations secured by the full faith and  
12 credit of the state which become due and payable within any fiscal year, the treasurer  
13 shall, prior to placing the remaining funds in the state general fund, pay into the  
14 Emergency Ground Ambulance Service Provider Trust Fund Account within the  
15 Louisiana Medical Assistance Trust Fund an amount equal to the total amount of the  
16 fees collected. Thereafter the secretary shall use the fees within the fund to carry out  
17 the provisions of Subsection G of this Section.

18 E.(1) Notwithstanding any other provision of law to the contrary, except for  
19 the first year maximum fee of one and one-half percent of the net operating revenue,  
20 the department shall not impose any new fee or increase any fee on any emergency  
21 ground ambulance service provider on or after July 1, 2016, without first obtaining  
22 either of the following:

23 (a) Prior approval of the specific fee amount by record vote of two-thirds of  
24 the elected members of each house of the legislature while in regular session.

25 (b) Written agreement of those providers subject to the fee which provide a  
26 minimum of sixty-five percent of the emergency ground ambulance transports.

27 (2) Any fee otherwise imposed or increased by the department on or after  
28 July 1, 2016, shall be null and of no effect.

1           F. Notwithstanding any provision of this Section to the contrary, the  
2           department shall adopt and promulgate, pursuant to the Administrative Procedure  
3           Act and in compliance with Article VII, Section 10.14 of the Constitution of  
4           Louisiana, a fee to be imposed pursuant to Subsection A of this Section in  
5           accordance with all of the following:

6           (1) The department shall calculate, levy, and collect a fee from every  
7           emergency ground ambulance service provider on each emergency ground  
8           ambulance transport upon the occurrence of all of the following:

9           (a) Implementation of the reimbursement enhancements as provided for in  
10          Subsection G of this Section.

11          (b)(i) Approval from the Centers for Medicare and Medicaid Services.

12          (ii) The department shall submit all required documentation necessary for  
13          approval and implementation of the reimbursement enhancements set forth in  
14          Subsection G of this Section on or before August 31, 2016.

15          (2) The total assessment for the initial state fiscal year in which the  
16          assessment is charged shall not exceed the lesser of the following:

17          (a) The state portion of the cost, excluding any federal financial  
18          participation, of the reimbursement enhancements provided for in this Section that  
19          are directly attributable to payments to emergency ground ambulance service  
20          providers.

21          (b) One and one-half percent of the net operating revenue of all emergency  
22          ground ambulance service providers assessed relating to the provision of emergency  
23          ground ambulance transportation.

24          (3) The department shall uniformly impose and shall allocate the assessment  
25          to each emergency ground ambulance service provider on a consistent basis and the  
26          assessment formula shall be the same for every emergency ground ambulance  
27          service provider.

28          (4) For the initial year of the assessment, the department shall assess each  
29          emergency ground transport provider in accordance with Paragraph (F)(2) of this

1        Section. The total amount of the assessment shall be paid by the emergency ground  
2        ambulance service provider in installments as prescribed by the secretary in  
3        conjunction with the written consent of emergency ground ambulance service  
4        providers, and shall be due from the provider within thirty days of the notification  
5        of assessment owed.

6            (5) Thereafter, the department shall assess each emergency ground  
7        ambulance service provider a percentage fee, determined at the discretion of the  
8        secretary subject to the provisions of Paragraph (3) of this Subsection in  
9        collaboration and with the express and written mutual agreement of the emergency  
10       ground ambulance service providers subject to the assessment and which make up  
11       a minimum of sixty-five percent of all emergency ground ambulance transports in  
12       the state of Louisiana. The maximum gross fee allowable pursuant to this Section  
13       in any year shall not exceed three and one-half percent of the annual net operating  
14       revenue of the emergency ground ambulance service provider as reported by the  
15       provider and subject to audit for the previous fiscal year of the provider. The total  
16       amount of the assessment shall be paid by the emergency ground ambulance service  
17       provider in installments as prescribed by the secretary in conjunction with the  
18       agreement of emergency ground ambulance service providers, and shall be due from  
19       the provider within thirty days of the notification of the fee amount owed.

20            (6) Prior to levying or collecting the assessment for the applicable  
21        assessment period, the department shall publish in the official state journal the total  
22        amount of the assessment and the corresponding applicable percentage of net  
23        operating revenue that will be applied to the assessed providers.

24            G. For each year in which the assessment is in effect, the department shall  
25        provide for reimbursement enhancements in accordance with all of the following:

26            (1) Reimbursement or payment to emergency ground ambulance service  
27        providers by any state or state sponsored program, including but not limited to the  
28        Bayou Health Plans or their successors, at or above rates at the level which were in  
29        effect on July 1, 2015, for emergency transport and related services provided

1 pursuant to the Louisiana medical assistance program provided that funds are  
2 appropriated in the budget.

3 (2) The legislature shall annually appropriate from the state general fund and  
4 not from the Emergency Ground Ambulance Service Provider Trust Fund Account  
5 an amount necessary to fund the state share of the reimbursement to emergency  
6 ground ambulance service providers pursuant to Paragraph (G)(1) of this Section.

7 (3) Monies collected from the fees shall be appropriated by the state in  
8 accordance with Article VII, Section 10.14 of the Constitution of Louisiana as  
9 necessary for the state to maximize federal matching funds and all proceeds,  
10 including interest from the fees collected, shall be deposited in the Emergency  
11 Ground Ambulance Service Provider Trust Fund Account for application in  
12 accordance with this Subsection and State Plan Amendment LA-11-23 and any  
13 amendments thereto.

14 (4) The supplemental payment level shall be determined in a manner to bring  
15 the payments for these services up to the average commercial rate level as described  
16 in Section C(8) of State Plan Amendment LA-11-23 and any amendments thereto to  
17 the extent of the availability of funds in the Emergency Ground Ambulance Service  
18 Trust Fund. The emergency ground ambulance service provider reimbursement level  
19 shall be the difference between the reimbursement levels provided for in Paragraph  
20 (1) of this Subsection and the average commercial rate.

21 (5) Funds from the Emergency Ground Ambulance Service Provider Trust  
22 Fund Account shall be used to achieve the maximum reimbursement under federal  
23 law and appropriated solely to fund the reimbursement enhancements provided for  
24 in Paragraph (4) of this Subsection as provided in the most recent formula adopted  
25 by the legislature or the secretary as applicable and distributed exclusively among  
26 emergency ground ambulance service providers for emergency services provided.

27 H.(1) No additional assessment shall be collected and any assessment shall  
28 be terminated for the remainder of the fiscal year from the date on which any of the  
29 following occur:

1           (a) The secretary and the emergency ground ambulance service provider  
2           representing a minimum of sixty-five percent of all emergency ground transports fail  
3           to reach an agreement on any proposed changes to the formula for the next fiscal  
4           year.

5           (b) The department, or its successor or contractors, reduces or does not pay  
6           reimbursement enhancements established in the current formula as adopted by the  
7           legislature.

8           (c) The appropriations provided for in Subsection D of this Section are  
9           reduced.

10           (d) The amount of the reimbursement for emergency ground ambulance  
11           services payable by any participant in the Bayou Health Plan or Medicaid managed  
12           care organization falls below one hundred percent of the Medicaid rate in effect at  
13           the time the service is rendered.

14           (2) The treasurer shall return any monies collected after the date of  
15           termination of an assessment to the emergency ground ambulance service provider  
16           from which it was collected, including any interest collected thereon.

17           I. For purposes of this Section, the following definitions apply:

18           (1) "Ambulance service" has the same meaning as provided in R.S. 40:1131.

19           (2) "Average commercial rate" means the average amount payable by  
20           commercial payors for the same services and as further defined in State Plan  
21           Amendment LA-11-23 and any amendments thereto in effect on the effective date  
22           of this Section.

23           (3) "Centers for Medicare and Medicaid Services" or "CMS" means the  
24           division of the United States Department of Health and Human Services which  
25           regulates the medical assistance program provided for in Title XIX of the Social  
26           Security Act.

27           (4) "Department" means the Department of Health and Hospitals.

28           (5) "Emergency ground ambulance service provider" means a private, for  
29           profit, nonpublic, nonfederal provider of emergency ground ambulance service that

1        is contracted with a unit of local or parish government of Louisiana for the provision  
2        of 911 emergency ground ambulance transportation on a regular twenty-four hour  
3        per day and seven days per week basis.

4                (6) "Emergency Ground Ambulance Service Provider Trust Fund Account"  
5        or "the fund" means the fund provided for in Article VII, Section 10.14 of the  
6        Constitution of Louisiana upon the payment of fees by emergency ground ambulance  
7        service providers pursuant to this Section and to which all fees shall be paid into and  
8        utilized solely for the reimbursement enhancements to be provided to emergency  
9        ground ambulance service providers.

10               (7) "Net operating revenue" means the gross revenues of the emergency  
11        ground ambulance service provider for the provision of emergency ground  
12        ambulance transportation services, excluding any Medicaid reimbursements, less any  
13        deducted amounts for bad debts, charity care, and payer discounts.

14               (8) "Secretary" means the secretary of the Department of Health and  
15        Hospitals.

16               (9) "State" means the state of Louisiana.

17        Section 2. The secretary shall promulgate all rules and regulations in accordance  
18        with the Administrative Procedure Act, submit any necessary Medicaid state plan  
19        amendments no later than ninety days after the effective date of this Act, and take all other  
20        actions as are necessary to institute the assessments and reimbursement enhancements  
21        provided for in this Act.

22        Section 3. This Act shall become effective upon signature by the governor or, if not  
23        signed by the governor, upon expiration of the time for bills to become law without signature  
24        by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
25        vetoed by the governor and subsequently approved by the legislature, this Act shall become  
26        effective on the day following such approval.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 662 Reengrossed

2016 Regular Session

Barras

**Abstract:** Authorizes a fee on emergency ground ambulance service providers, establishes the maximum allowable fee amount, and provides for use of the fee to pay enhanced reimbursements to providers.

Present law authorizes provider fees to be paid by certain healthcare providers.

Proposed law retains present law and establishes a provider fee for emergency ground ambulance service providers.

Proposed law prohibits the amount of the initial fee from exceeding the total cost to the state of providing the healthcare service subject to the fee and prohibits the amount of the fees imposed from exceeding 1.5% of the net operating revenue of emergency ground ambulance service providers.

Proposed law provides for the disposition of the fee including the deposit of the collected fees into the state treasury with the required amount credited to the Bond Security and Redemption Fund prior to the state treasurer placing the remaining amount into the Ground Ambulance Service Provider Trust Fund Account within the La. Medical Assistance Trust Fund.

Proposed law provides for the use of the collected fees to pay enhanced reimbursements to emergency ground ambulance service providers.

Proposed law establishes the procedure for changing the fee amount after the first year and prohibits the subsequent assessment from exceeding 3.5% of the net operating revenue of emergency ground ambulance service providers.

Proposed law provides for the termination of the fee collection and the return of monies collected.

Proposed law requires the Dept. of Health and Hospitals to promulgate all necessary rules and regulations, submit any necessary Medicaid state plan amendments no later than 90 days after the effective date of proposed law, and take all other actions as are necessary to institute the assessments and reimbursement enhancements provided for proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 46:2625.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Add provisions prescribing the deposit of the collected fees into the Ground Ambulance Service Provider Trust Fund Account.
2. Add provisions establishing the procedure for changing the fee amount after the first year.



3. Add provisions requiring the collected fees to be used to provide enhanced reimbursements.
4. Add provisions for the termination of the fee.
5. Add definitions.
6. Require DHH to perform all actions necessary to implement proposed law.
7. Add an effective date.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Clarify that payment of reimbursement enhancements is limited to years when the assessment is collected.
3. Clarify that state general funds are to be used only to fund the state's share of the reimbursement.
4. Clarify that the supplemental amount paid to providers is limited to the amount in the Emergency Ground Ambulance Service Trust Fund.
5. Clarify that 65% of providers have to agree to a change in the reimbursement formula.