



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

VIA ELECTRONIC MAIL ONLY

March 12, 2020

Bill Brooks
Associate Regional Administrator
Division of Medicaid & Children's Health
DHHS/Centers for Medicare and Medicaid Services
1301 Young Street, Room #833
Dallas, Texas 75202

Dear Mr. Brooks:

RE: LA SPA TN 19-0020 RAI Response
Ground Ambulance Provider Fees and Enhanced Reimbursements

Please refer to our proposed amendment to the Medicaid State Plan submitted under transmittal number (TN) 19-0020 with the proposed effective date July 1, 2019. The SPA proposes to amend the provisions governing the health care services for ground ambulance service providers to include non-emergency ground ambulance services, and to include non-emergency ground ambulance services in enhanced reimbursement for emergency ground ambulance transportation services. We are providing the following in response to your request for additional information (RAI) dated October 10, 2019.

General Comments/Questions

1. Please provide CMS with the Average Commercial Rate (ACR) demonstration. Also included in this ACR demonstration must be supporting documentation listing the top five commercial payer rates for each CPT code for which the ACR will be paid to non-emergency ground ambulance transportation providers. Please find attached the template, instructions and guidance for the ACR demonstration.

RESPONSE:

The ACR is calculated using the top three commercial payers. Please see the ACR demonstration attached.

2. Please complete the checklist in the ACR guidance.

19-0020 Ground Ambulance Provider Fees and Enhanced Reimbursements
RAI Response
Effective date: July 1, 2019

RESPONSE:

Please see attached the completed checklist in the ACR guidance.

Standard Funding Questions

3. Does the ambulance service tax meet all the requirements in 42 CFR 433.68 as a permissible tax including broad-based and uniform requirements? Has the tax previously been reviewed by CMS and determined to be permissible? If so, please provide evidence to support.

RESPONSE:

The tax complies with the CFR. CMS previously reviewed LA-SPA 16-0019 in which this provider tax is used.

4. If the ambulance tax does not meet the broad-based and uniform requirements in 42 CFR 433.68, the state will need to submit a tax waiver request to CMS for review and approval prior to CMS being able to approve the SPA.

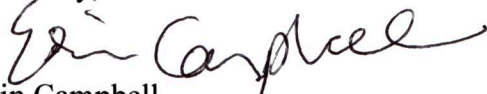
RESPONSE:

The tax meets the requirements.

Please consider this a formal request to begin the 90-day clock. We trust this additional information will result in the approval of the pending SPA. We look forward to negotiating with CMS to ensure approval.

As always, we appreciate the assistance of CMS in resolving these issues. If further information is required, you may contact Karen H. Barnes at Karen.Barnes@la.gov or by phone (225) 342-3881.

Sincerely,



Erin Campbell
Acting Medicaid Director

EC:KHB:SSJ

Attachments (4)

c: Karen H. Barnes
Tobias Griffin
Tamara Sampson

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Enhanced Reimbursements for Qualifying Emergency and Non-Emergency Ground Ambulance Service Providers

A. Effective for emergency services (as defined 42 CFR § 410.40(b)) with dates of service on or after August 1, 2016 and non-emergency services with dates of service on or after July 1, 2019, the following emergency ambulance service providers qualify for enhanced reimbursement through the Supplemental Payment program:

1. A Med Ambulance Inc.
2. Acadian Ambulance New Orleans
3. Acadian Ambulance Service
4. Advanced Emergency Medical Services
5. Balentine Ambulance Services
6. Med Express Ambulance Service
7. Med Life Emergency Medical Services
8. Metro Ambulance Service
9. Miss-Lou Ambulance Service
10. Northeast Louisiana Ambulance
11. Northshore Emergency Medical Services
12. Pafford Emergency Medical Service
13. St. Landry Emergency Medical Services
14. West Jefferson Medical Center

B. Calculation of Average Commercial Rate

1. The enhanced reimbursement shall be determined in a manner to bring the payments for these services up to the average commercial rate level as described in Subparagraph C.3.h. The average commercial rate level is defined as the average amount payable by the commercial payers for the same service.

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- 2. The Department shall align the paid Medicaid claims with the Medicare fees for each healthcare common procedure coding system (HCPCS) or current procedure terminology (CPT) code for the ambulance provider and calculate the Medicare payment for those claims.
- 3. The Department shall calculate an overall Medicare to commercial conversion factor for each ambulance provider by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims.
- 4. The commercial to Medicare ratio for each provider will be re-determined at least every three years.

C. Payment Methodology

- 1. Effective for dates of service on or after July 1, 2019, payment will include non-emergency ground ambulance services. The enhanced reimbursement to each qualifying emergency ground ambulance service provider shall not exceed the sum of the difference between the Medicaid payments otherwise made to these providers for the provision of emergency and non-emergency ambulance services and the average amount that would have been paid at the equivalent community rate.
- 2. The enhanced reimbursement shall be determined in a manner to bring payments for these services up to the community rate level. Community Rate-the average amount payable by commercial insurers for the same services.
- 3. The specific methodology to be used in establishing the enhanced reimbursement payment for ambulance providers is as follows:
 - a. The Department shall identify Medicaid ambulance service providers that qualify to receive enhanced reimbursement Medicaid payments for the provision of emergency and non-emergency ambulance services.

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- b. For each Medicaid ambulance service provider identified to receive enhanced reimbursement Medicaid payments, the Department shall identify the emergency and non-emergency ambulance services for which the provider is eligible to be reimbursed.
- c. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the reimbursement paid to the provider for the provision of emergency and non-emergency ambulance services identified under Subparagraph C.3.b.
- d. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the provider’s equivalent community rate for each of the provider’s services identified under Subparagraph C.3.b.
- e. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall subtract an amount equal to the reimbursement calculation for each of the emergency and non-emergency ambulance services under Subparagraph C.3.c. from an amount equal to the amount calculated for each of the emergency and non-emergency ambulance services under Subparagraph C.3.d.
- f. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate the sum of each of the amounts calculated for emergency and non-emergency ambulance services under Subparagraph C.3.e.
- g. For each Medicaid ambulance service provider described in Subparagraph C.3.a., the Department shall calculate each provider’s upper payment limit by totaling the provider’s total Medicaid payment differential from Subparagraph C.3.f.

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- h. On a quarterly basis, the Department shall reimburse providers identified in Subparagraph C.3.a., up to 100 percent of the provider's average commercial rate.
4. No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.
5. Supplemental payments will occur within 180 days of the close of a quarter; however, in the year in which the average commercial rate is being set or updated, payment will be made within 180 days from the computation and final review of the average commercial rate.

D. Effective Date of Payment

1. The enhanced reimbursement payment shall be made effective for emergency ambulance services provided on or after August 1, 2016 and for non-emergency ambulance transportation services provided on or after July 1, 2019. This payment is based on the average amount that would have been paid at the equivalent community rate.
2. After the initial calculation for fiscal year 2015-2016 for emergency ambulance services and after the initial calculation for fiscal year 2019-2020 for non-emergency ambulance transportation services, the Department will rebase the equivalent community rate using adjudicated claims data for services from the most recently completed fiscal year. This calculation may be made annually but shall be made no less than every three years.

E. Maximum Payment

The total maximum amount to be paid by the Department to any individually qualified Medicaid ambulance service provider for enhanced reimbursement Medicaid payments shall not exceed the total of the Medicaid payment differentials calculated under Subparagraph C.3.f.