



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

VIA ELECTRONIC MAIL ONLY

September 21, 2023

James G. Scott, Director
Division of Program Operations
Medicaid & CHIP Operations Group
601 East 12th Street, Room 0300
Kansas City, Missouri 64106-2898

**RE: LA Medical Transportation Program SPA TN 23-0020 RAI Response
Ambulance Reimbursement Full Medicaid Pricing (FMP) to Fee Schedule**

Dear Mr. Scott:

Please refer to our proposed Medicaid State Plan submitted under transmittal number (TN) 23-0020 with a proposed effective date of July 1, 2023. The purpose of this SPA is to amend provisions governing medical transportation services in order to link emergency medical transportation to the Louisiana Medicaid fee schedule.

We are providing the following in response to your request for additional information (RAI) dated August 2, 2023:

179 Form:

1. Please process pen and ink changes, or grant permission for CMS to process pen and ink changes to include the following reference on the 179 Form, in box 5:
 - a. Section 1902(a)(30)(A)
 - b. 433.68 (f)(3)(i)(A)
 - c. 42 CFR § 433.56
 - d. 1903(w)(6)(A)
 - e. 1903 (w)(3)(B) and 42 CFR 431.53

LDH RESPONSE:

Please see revised CMS-179.

2. LA-23-0020 is effective July 1, 2023 – Why doesn't it have a 2023 fiscal impact for one quarter (July 1, 2023, through September 30, 2023)? Can the state please revise budget impact to include the missing quarter 07/01-09/30, 2023 and updated CMS-179 budget impact fields accordingly?

LDH RESPONSE:

Please see revised CMS-179.

Plan Page Language and Reimbursement Methodology

3. Please describe the specific commercial rates used to set the fee schedule (which commercial payer(s), which provider(s') negotiated fees are being used).

LDH RESPONSE:

For providers previously enrolled in the Ambulance Full Medicaid Pricing (FMP) payment program, provider specific average commercial rate (ACR) factors from the most recently available Ambulance upper payment limit (UPL) calculation (as of June 2022) were utilized to calculate commercial repriced estimates. Calendar year (CY) 2021 base claims were repriced to Medicare by multiplying service units by the published Medicare fee schedule rates. The referenced ACR factors were then multiplied by the CY 2021 Medicare repriced amount at a provider level to establish a commercial equivalent payment ceiling. FMP participating providers accounted for approximately 97.5 percent of the base expenditures utilized in the ACR calculation. For non-FMP providers, Milliman utilized CY 2021 experience from the Consolidated HCG Sources Database (CHSD), which is an internal database that contains claims experience from commercial payers. Louisiana experience from CHSD was summarized at a procedure code level and applied to the CY 2021 Medicaid utilization. Non-FMP providers only account for approximately 2.5 percent of the total CY 2021 emergency ground expenditures.

4. Once the commercial fees were accessed, what methodology did the state use in establishing the Medicaid enhanced fee schedule?

LDH RESPONSE:

CY 2021 ambulance Medicaid encounter data was utilized as the basis for modeling. Ambulance providers were categorized into private, public, and New Orleans-based governmental provider groupings. A fee increase factor was calculated separately for private, public, and New Orleans-based governmental providers based on a selected percentage of the commercial reimbursement benchmark. We targeted 80 percent of the average

commercial rate for private providers and 100 percent of the average commercial rate for public and New Orleans-based governmental providers. The calculated fee schedule increase factor for each provider grouping was then uniformly applied to the current fee schedule for non-mileage, emergency ground transportation procedure codes. The resulting fee schedule has separate rates for each provider grouping by procedure code. By contrast, mileage reimbursement was adjusted in composite. We determined the percentage increase required to bring aggregate mileage reimbursement to 80 percent of the average commercial reimbursement. The required increase was applied to the current mileage fee. The emergency ground mileage fee is the same for all three provider groupings.

5. How many payers' fees did the state review?

LDH RESPONSE:

The State reviewed fees from the top three commercial payers.

6. Will the methodology use a weighted average or a straight average in assessing the fees that would be paid?

LDH RESPONSE:

The State calculated a straight average by Current Procedural Terminology (CPT). Average costs by CPT were then utilized to calculate a weighted average, composite ACR for each provider.

7. Please provide documentation showing what the state used in setting these fees (like an Average Commercial Rate (ACR) demonstration but without the full-blown Upper Payment Limit (UPL)).

LDH RESPONSE:

The table below includes a summary of the Louisiana CY 2021 MCO emergency ground base claim payments. Payments repriced at Medicare reimbursement rates and an ACR are also shown.

PROVIDER GROUPING	BASE CLAIM PAYMENT	MEDICARE REPRICED	COMMERCIAL REPRICED
Private	\$ 34.5	\$ 57.0	\$ 126.0
Public	8.3	14.4	26.6
New Orleans	4.2	6.7	15.7
Total	\$ 46.9	\$ 78.1	\$ 168.3

Note: Dollar amounts in millions.

8. Is the state paying the full amount of the ACR, or some amount less than the full ACR amount to the providers?

LDH RESPONSE:

LDH seeks to reimburse providers using a fixed fee schedule that was developed to align with the following percent of ACR targets, as described in the State Plan amendment:

- 1. Emergency ground, non-mileage claims:**
 - a. 80 percent of the full ACR amount for Private ambulance providers; and**
 - b. 100 percent for public ambulance providers and New Orleans-based governmental ambulance providers.**
 - 2. Emergency ground mileage: 80 percent of ACR for all ambulance providers.**
9. Describe the manner/methodology/logic used to determine the amount payable to providers in each regional area of the state (governmental, New Orleans, other). Clarify if any of these percentages will change over time. Note that if the fee schedule is static for all providers and the percentages are variable by region, then the state must be prepared to include the actual percentages that will be paid in the state plan.

LDH RESPONSE:

The fee schedule rates were established separately for each provider type: governmental, New Orleans-based governmental, and private providers in order to account for the cost variability across these provider types, as well as to maintain access to care through alignment with historic payment levels. Further, the proposed fee schedule is static. While the percentages listed in the State Plan amendment provide detail on how the fee schedule was developed for each provider type, neither these percentages nor the resulting fee schedule will change over time (unless or until LDH submits an additional State Plan amendment to update the fee schedule).

10. Please include comprehensive methodology in the state plan so that all providers know what their rate of payment will be.

LDH RESPONSE:

The State Plan amendment: (i) includes a link to the published location of the fee schedule that includes the actual rates paid to providers, (ii) indicates the effective date of the detailed fee schedule, and (iii) describes the methodology for determining the fee schedule.

11. Note that by changing these supplemental payments to a fee schedule, the state must make sure that all providers of the service have a clear, comprehensive method of reimbursement in the Medicaid state plan.

- Please reference fee schedule Federal requirement methodology requirement attached in this email or for direct access here is the link: <https://www.medicaid.gov/resources-for-states/spa-and-1915-waiver-processing/medicaid-spa-processing-tools-for-states/index.html>

LDH RESPONSE:

LDH drafted the State Plan amendment as an “effective date” based fee schedule, whereby the State Plan indicates the date on which the fee schedule was updated, as well as the published location of the fee schedule. Further, since the proposed rate differs between governmental and private providers of the same service, the State Plan explains the need for differing rates and clearly delineates the rates in the fee schedule so that providers know what their rate of payment will be.

12. Please revise 4.19-B pages submitted and replace any uncertain "may" language with “shall” or “will”.

LDH RESPONSE:

The uncertain “may” language has been returned to the original “will” language.

13. Please clarify if the state also pays for the emergency air ambulance services that are not included in the fee schedule containing the new enhanced rates? If no, then the state will need to submit an ACR, if yes, please clarify “all the methodologies” will be utilizing fees schedules.

LDH RESPONSE:

Emergency air ambulance services are not included in the fee schedule containing the new enhanced rates for emergency ground transportation. Rather, LDH maintains a separate fee schedule for both emergency and non-emergency air ambulance services. As such, all ambulance codes will use a fee schedule methodology for reimbursement.

14. If the state will utilize fee schedule for all, then please revise plan pages and remove any unnecessary language included on the pages.

LDH RESPONSE:

While fee schedules are utilized for all ambulance services, LDH would like to keep the prior language on the UPL pages in order to maintain a supplemental payment program.

15. If the state will utilize the fee schedule for some of the services and the UPL for other, please clarify and submit the ACR-UPL demonstration for CMS review.

LDH RESPONSE:

LDH plans to utilize the fee schedule for all services. However, in the event a Provider still have a gap between the Medicaid fee schedule payment and ACR an additional UPL payment can be made. The ACR UPL Demonstration is attached.

16. Please replace the reference to regulation 42 CFR 410.40(b) with 42 CFR 431.53, which applies to both emergency and non-emergency transportation, throughout the plan pages.

LDH RESPONSE:

Reference to 42 CFR 410.40(b) has been replaced with 42 CFR 431.53.

17. When payment is made up to the ACR, the state must recalculate this UPL annually, using updated Medicaid and commercial payment data. For payments up to the Medicare equivalent of the ACR, the percentage does not need to be calculated annually, but must be updated at least every three years. Please confirm that the state will provide the annual UPL demonstration pertaining to this SPA payment methodology in accordance to 1902(a)(30)(A).

LDH RESPONSE:

When ambulance UPL payments are made, payments will be in accordance with the methods in the current approved State Plans, which is up to the Medicare equivalent of the ACR and will be updated every three years. The state affirms it will provide the annual UPL demonstration pertaining to this SPA payment methodology as required and in accordance with 1902(a)(30)(A).

18. Included below is ACR/UPL related policy and other UPL related materials to assist the state with this SPA submission.
- <https://www.medicaid.gov/medicaid/financial-management/downloads/upl-instructions-qualified-practitioner-services-06012021.pdf>
 - <https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/upl-guidance-qualified-practitioner-services-replacement-new.pdf>
 - <https://www.macpac.gov/wp-content/uploads/2021/11/Upper-Payment-Limit-Supplemental-Payments.pdf#:~:text=However%2C%20in%20sub-regulatory%20guidance%20CMS%20has%20indicated%20that,reasonable%20estimate%20of%20what%20Medicare%20would%20have%20paid>

LDH RESPONSE:

The State appreciates the guidance.

Please consider this as a formal request to begin the 90-day clock. As always, we appreciate the assistance and guidance CMS has provided in resolving these issues. We trust this RAI response will result in the approval of the pending SPA. If additional information is required, you may contact Karen H. Barnes via email at Karen.Barnes@la.gov or by phone at (225) 342-3881.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly Sullivan".

Kimberly Sullivan, J.D.
Interim Medicaid Executive Director

KS:KHB:NF

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER
23-0020

2. STATE
LA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440.170 (please see additional citations in box 22)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY ~~2024~~ 2023 \$ ~~46,949,605~~ 12,103,382
b. FFY ~~2025~~ 2024 \$ ~~47,185,498~~ 46,949,605

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Item 24.a, page 1
Attachment 4.19-B, Item 24.a, page 1a
Attachment 4.19-B, Item 24.a, Pages 1b-1b(2)
Attachment 4.19-B, Item 24.a, Pages 1b(3)-1b(6)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Same (TN 12-18)
Same (TN 12-47)
Same (TN 11-23)
Same (TN 19-0020)

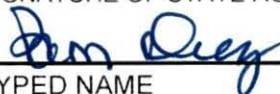
9. SUBJECT OF AMENDMENT **The purpose of this SPA is to amend provisions governing medical transportation services in order to link emergency medical transportation to the Louisiana Medicaid fee schedule.**

10. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
The Governor does not review State Plan material.

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

Pam Diez, designee for Stephen R. Russo, JD

13. TITLE

Executive Counsel
Director of Legal Audit and Regulatory Compliance

14. DATE SUBMITTED

May 10, 2023

15. RETURN TO

Tara A. LeBlanc, Medicaid Executive Director
Louisiana Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS **The State requests a pen and ink change to box 5 to add the following citations: Section 1902(a)(30)(A), 433.68(f)(3)(i)(A), 42 CFR 433.56, 1903(w)(6)(A), 1903(w)(3)(B), and 42 CFR 431.53. The State requests a pen and ink change to box 6 as indicated.**

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:

<u>CITATION</u>	<u>Medical and Remedial Care and Services</u>	<u>Any Other Medical Care and Any Other Type of Medical Care Recognized Under State Law Specified by the Secretary</u>
42 CFR 440.170	Item 24.a.	

Transportation Services are reimbursed as follows:

I. Method of Payment

A. Emergency Medical Transportation

1. Ground Ambulances

Reimbursement for ground ambulances through Title XIX funds is made according to the established State fee schedule for emergency ambulance transport, basic life support (BLS), advanced life support (ALS) and mileage, oxygen, intravenous fluids, and disposable supplies administered during the emergency ambulance transport minus the amount paid by any liable third party coverage.

Effective for dates of service on or after July 1, 2023, the reimbursement rates for emergency ground ambulance transportation services shall be reimbursed based on the Louisiana Medicaid fee schedule.

Except as otherwise noted in the plan, state-developed fee schedule rates are established separately for governmental, New Orleans-based governmental, and private providers of Ambulance Transportation Services to account for cost variability across these provider types and to maintain access to care through alignment with historic payment levels.

The agency's fee schedule rate was set as of July 1, 2023 and is effective for services provided on or after that date. All rates are published on the agency's website at: <https://www.lamedicaid.com>

The fee schedule was established as a function of historical rates in effect as of January 1, 2023 plus an enhancement which was calculated to achieve total fee schedule reimbursement as a percentage of Average Commercial Rates (ACR), with the clarifications listed within subpart (a) through (e) below:

- a) Governmental ambulance providers, shall be reimbursed at 100 percent of ACR. Government providers include those ambulance providers who are owned or operated by a public organization such as state, federal, parish or city entities.
- b) New Orleans-based governmental ambulance providers, shall be reimbursed at 100 percent of ACR and include ambulance providers located within the city of New Orleans.
- c) All other ambulance providers, including private ambulance transportation providers, shall be reimbursed at 80 percent of ACR. Private providers include corporations, limited liability companies, partnerships, or sole proprietors. Private providers must comply with all state laws and the regulations of any governing state agency,

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commission, or local entity to which they are subject as a condition of enrollment and continued participation in the Medicaid program.

- d) Fees for ground ambulance mileage shall be reimbursed at a rate that is 80 percent of ACR.
- e) Fees for new services are established utilizing the most current ACR information available.

The ACR is the average amount payable by the commercial payers for the same services. The State will align the paid Medicaid claims with the Medicare fees for each HCPCS or CPT code for the ambulance provider and calculate the Medicare payment for those claims. The State will then 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.

2. Air Ambulance Transportation

The reimbursement rates for emergency and non-emergency, rotor winged and fixed winged air ambulance transportation services shall be reimbursed based on the Louisiana Medicaid fee schedule. These rates include both in state and out-of-state air ambulance transportation. The agency’s fee schedule rate was set as of January 1, 2022 and is effective for services provided on or after that date. All rates are published on the agency’s website at: <https://www.lamedicaid.com>

When the provider incurs the cost for oxygen and disposable supplies, submission of a separate reimbursement for these supplies is required.

Payment for air mileage is limited to actual air miles from the pick-up point to the point of delivery of the patient.

Payment for a round trip transport on the same day between two hospitals is the base rate plus the round trip mileage.

Certification by the Bureau of Emergency Medical Services (EMS) for rotor winged and fixed winged aircrafts shall be required for reimbursement.

The parish of trip origin is used to assign each encounter as rural/super-rural or non-rural.

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

Supplemental Payments for Emergency Ambulance Services

Effective for dates of service on or after September 21, 2011, quarterly supplemental payments shall be issued to qualifying land ambulance and air ambulance providers for emergency medical transportation services rendered during the quarter.

A. Qualifying Criteria

Ambulance service providers must meet the following requirements in order to qualify to receive supplemental payments. The ambulance service provider must be:

1. Licensed by the State of Louisiana;
2. Enrolled as a Louisiana Medicaid provider;
3. Be a provider of emergency medical transportation or air ambulance services as defined in 42 CFR 440.170 and Medical and Remedial Care and Services Item 24.a; and

B. Calculation of Average Commercial Rate

The supplemental payment will be determined in a manner to bring the payments for these services up to the average commercial rate level as described in C8. The average commercial rate level is defined as the average amount payable by the commercial payers for the same services.

The state will align the paid Medicaid claims with the Medicare fees for each HCPCS or CPT code for the ambulance provider and calculate the Medicare payment for those claims. The state will then 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. The commercial to Medicare ratio for each provider will be re-determined at least every three years.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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

C. Payment Methodology

The supplemental payment to each qualifying ambulance service provider will not exceed the sum of the difference between the Medicaid payments otherwise made to these qualifying providers for emergency medical transportation and air ambulance services and the average amount that would have been paid at the equivalent community rate. The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level. The community rate is defined as the average amount payable by commercial insurers for the same services.

The specific methodology to be used in establishing the supplemental payment for ambulance providers is as follows:

1. The Department of Health and Hospitals (DHH) shall identify Medicaid ambulance service providers that were qualified to receive supplemental Medicaid reimbursement for emergency medical transportation services and air ambulance services during the quarter.
2. For each Medicaid ambulance service provider identified to receive supplemental payments, the Department shall identify the emergency medical transportation and air ambulance services for which the Medicaid ambulance service providers were eligible to be reimbursed.
3. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the reimbursement paid to the Medicaid ambulance service providers for the emergency medical transportation and air ambulance services identified under (C2).
4. For each Medicaid ambulance service provider described in (C I), the Department shall calculate the Medicaid ambulance service provider's equivalent community rate for each of the Medicaid ambulance service provider's services identified under (C2).
5. For each Medicaid ambulance service provider described in (C I), the Department shall subtract an amount equal to the reimbursement calculation for each of the emergency medical transportation and air ambulance services under (C3) from an amount equal to the amount calculated for each of the emergency medical transportation and air ambulance services under (C4).

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

6. For each Medicaid ambulance service provider described in (C1), the Department shall calculate the sum of each of the amounts calculated for emergency medical transportation and air ambulance services under (C5).
7. For each Medicaid ambulance service provider described in (C1), the Department shall calculate each emergency ambulance service provider's upper payment limit by totaling the provider's total Medicaid payment differential from (C6).
8. The Department will reimburse providers based on the following criteria:
 - a. For ambulance service providers identified in (C1) located in large urban areas and owned by governmental entities, reimbursement will be up to 100 percent of the provider's average commercial rate calculated in (C7).
 - b. For all other ambulance service providers identified in (C1) reimbursement will be up to 80 percent of the provider's average commercial rate calculated in (C7).

D. Effective Date of Payment

The supplemental payment will be made effective for emergency medical transportation and air ambulance services provided on or after September 21, 2011. This payment is based on the average amount that would have been paid at the equivalent community rate. After the initial calculation for fiscal year 2011-2012, the State will rebase the equivalent community rate using adjudicated claims data for services from the most recently completed fiscal year. This calculation shall be made annually, but shall be made no less than every three years.

E. Maximum Payment

The total amount to be paid by the state to any individual qualified Medicaid ambulance service providers for supplemental Medicaid payments shall not exceed the total of the Medicaid payment differentials calculated under (C6).

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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 431.53) 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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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:

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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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:

- 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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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:

- 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.