



MOEMSAC 2023 ANNUAL REPORT

REGULATION ALLOWING AFRA

Formula for tax based on gross receipts - maximum rate - challenge of validity of rules.
190.803.

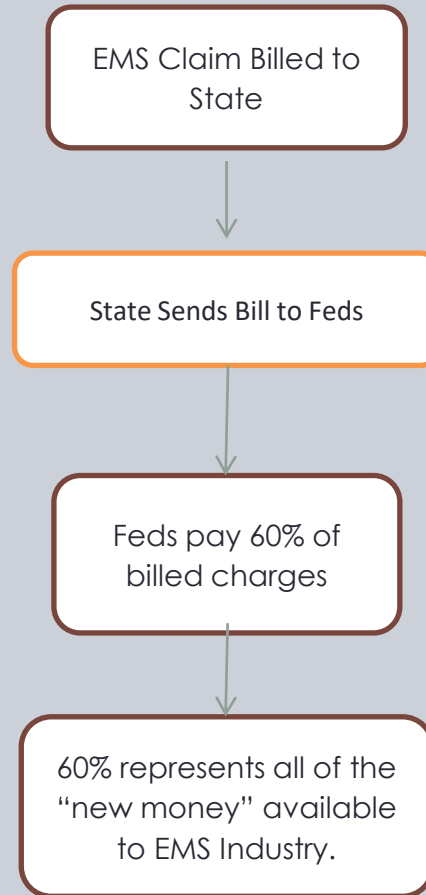
1. Each ambulance service's reimbursement allowance shall be based on its gross receipts using a formula established by the Department of Social Services by rule. The determination of tax due shall be the monthly gross receipts reported to the Department of Social Services multiplied by the tax rate established by rule by the Department of Social Services. Such tax rate may be a graduated rate based on gross receipts and shall not exceed a rate of six percent per annum of gross receipts.
2. Notwithstanding any other provision of law to the contrary, any action respecting the validity of the rules promulgated under this section or section 190.815 or 190.833 shall be filed in the circuit court of Cole County. The circuit court of Cole County shall hear the matter as the court of original jurisdiction.

MEDICAID 101

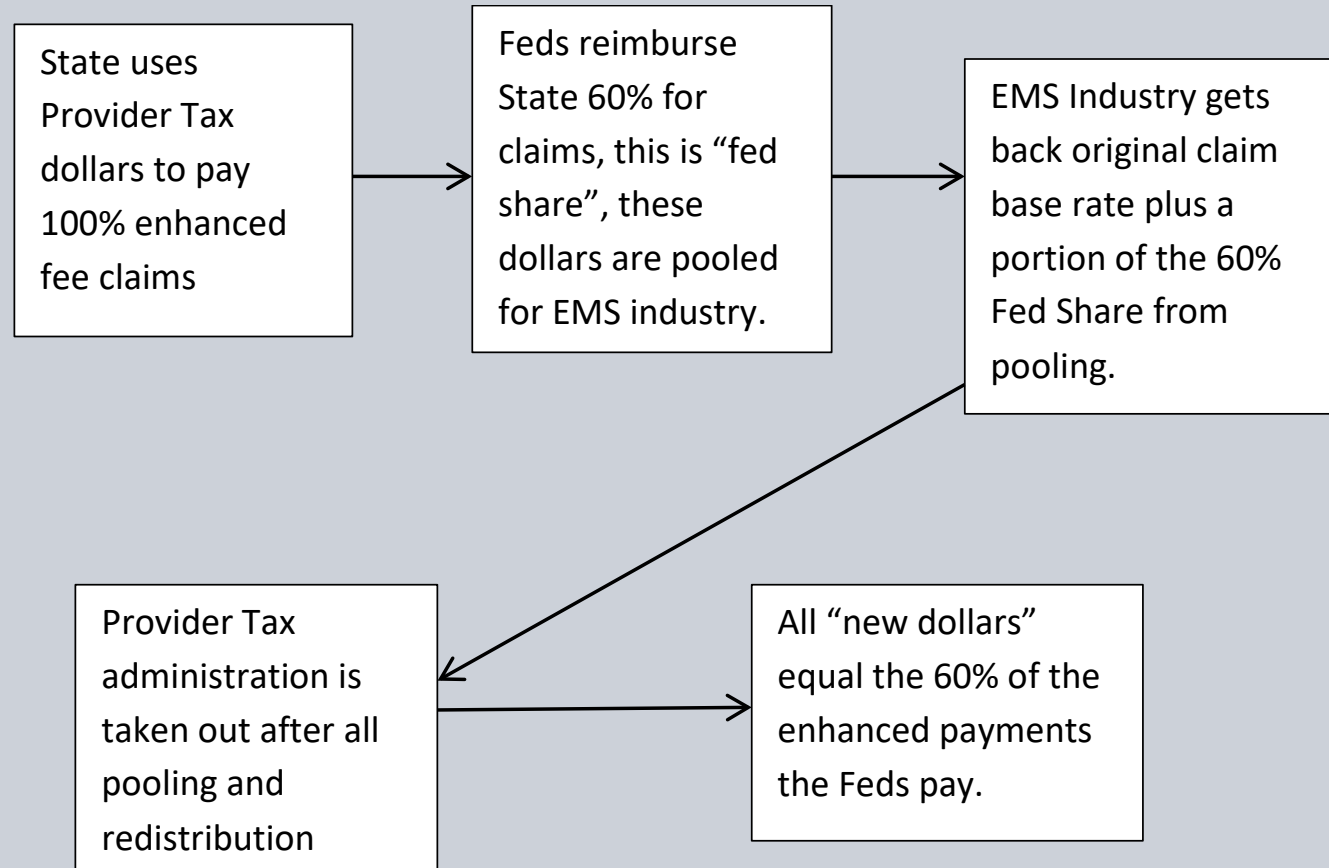
\$100 EMS claim for emergency services paid by state

- State pays 40% with General Revenue Equivalent dollars, bills 60% to Federal Government.
- Tax billed to and collected from all providers, paid by MOEMSAC.
- Tax used to pay state share of enhanced payments and the balance is re-distributed then paid to providers.

BILLING SEQUENCE



FLOW OF CLAIMS DOLLARS



VARIABLES THAT AFFECT MOEMSAC FUND BALANCE

- Tax rate too high pulls balance down
- Claim rate/projections
 - If claims are too low, then tax too high and that pulls fund balance down
 - If claims too high, then tax is insufficient for state but for EMS it pulls fund up (and state requests increase in tax rate)
- Additional base rate of \$45 will generate need for additional taxes in the future

PROVIDER IMPACT

- Some providers located generally in the northern and southern portions of Missouri are experiencing less revenue due to the loss of enhanced mileage fees.
- This is directly due to the implementation of statewide Managed Care in May 2017, as was the issues discussed in the previous slide.
- When evaluating program returns, providers **MUST** include revenue received from managed care companies as part of their total Medicaid revenue.

ANNUAL TOTALS

AO425

- 1,345,297 units billed (decrease of 3,827 from prior year)
- generated \$18,808,426 of enhanced payments to buy EMS services (decrease of \$65,968 from prior year)

AO433

- 1,094 units billed (increase of 56 from prior year)
- generated \$413,516 of enhanced payments (increase of \$13,315 from prior year)

| FY End September | Fee-for-Service |
|------------------|-----------------|
| 2023 | \$52,334,416 |
| 2022 | \$55,067,311 |
| 2021 | \$51,934,061 |
| 2020 | \$55,601,725 |
| 2019 | \$54,440,548 |
| 2018 | \$53,807,309 |
| 2017 | \$51,645,081 |

TAX PAYMENTS

| | |
|--------------------|--|
| \$16,806,677 | Total tax payment paid to MO HealthNet |
| <u>X 1.89%</u> | Federal share |
| \$31,764,619.50 | EMS services tax buys |

A0427 CLAIMS

A0427

2023

- 70,785 units
- FRA supported \$15,926,625 at \$225 per unit

2022

- 46,882 units
- FRA supported \$10,548,450 at \$225 per unit

2021

- 60,910 units
- FRA supported \$13,704,750 at \$225 per unit
(almost doubled from previous year)

A0429 CLAIMS

A0429

2023

- 13,484 units
- FRA supported \$3,033,900 at \$225 per unit

2022

- 39,033 units
- FRA supported \$8,782,593 at \$225 per unit

2021

- 46,597 units
- FRA supported \$10,484,325 at \$225 per unit
(previous year was just under \$2 million)

Total Base Rate supported from FRA = \$ 18,960,525

FRA SUPPORT FOR EMS

| | |
|------------------|--------------------|
| Enhanced Mileage | \$18,808,426 |
| Enhanced A0433 | \$413,516 |
| A0427 Base Rate | \$15,926,625 |
| A0429 Base Rate | <u>\$3,033,900</u> |
| Total FRA | \$38,182,467 |

WHAT CHANGED

5. *[Gross receipts]* **Emergency Transport Mileage.** Emergency ambulance *[revenue]* **mileage** from Medicare, Medicaid, insurance, and private payments received by an ambulance service licensed under section 190.109, RSMo (or by its predecessor in interest following a change of ownership). *[Revenue]* **Mileage** from CPT Code A0427/A0425 ambulance service, advanced life support, emergency transport, level 1 (ALS1–emergency)*[/, and associated ground mileage]*; CPT Code A0429/A0425 ambulance services, basic life support, emergency transport (BLS–emergency)*[/, and associated ground mileage]*; and CPT Code A0433/A0425 advanced life support, level 2 (ALS2)*[/, and associated ground mileage]*.

6. Engaging in the business of providing ambulance services. Accepting payment for ambulance services as such term is defined in section 190.100, RSMo.

(B) Beginning October 1, 2013, each ground emergency ambulance services provider in this state, except for any ambulance service owned and operated by an entity owned and operated by the state of Missouri, including but not limited to any hospital owned or operated by the board of curators, as defined in Chapter 172, RSMo, or any department of the state, shall, in addition to all other fees and taxes now required or paid, pay an ambulance service reimbursement allowance for the privilege of engaging in the business of providing ambulance services as defined in section 190.100, RSMo. *[Gross receipts]* **Emergency Transport Mileage** shall be obtained by the division from **the providers** *[a survey conducted]* six (6) months after calendar year end (i.e., calendar year *[2012 gross receipts]* **2021 mileage** will be obtained through **an affidavit** *[survey]* sent out by the state in *[2013]* **2022**). Collection of the ambulance service reimbursement allowance beginning October 1, *[2013]* **2022**, and thereafter each October 1, shall be based on *[gross receipts]* **emergency transport mileage** *[collected in]* **from** the prior calendar year. (i.e. October 1, *[2013]* **2022** shall be based on *[gross receipts]* **emergency transport mileage** *[collected in]* **from** calendar year *[2012]* **2021**).

2. Each ambulance provider shall submit an affidavit to the department with the following information:

1. Provider name;

2. Contact;

3. Telephone number;

4. Address;

5. Federal Tax ID number;

6. MO HealthNet provider number;

7. Emergency Transport Mileage; and

8. Gross receipts attributable to emergency ambulance revenue from Medicare, Medicaid, insurance, and private payments received by the ambulance service.

WHAT CHANGED

- The Medicaid statistic.
 - The Medicaid statistic is what the tax is compared to prior to redistribution and post redistribution to establish broad base and uniformity.
 - Previously the statistic is the Medicaid 1099, going forward it will be all the emergency A0425 units that were billed and paid for.
 - We anticipate and all our modeling shows little to no change in reimbursement anyone receives.
 - The current program is predominately based mileage and going forward will continue to be.

FEDERAL COMPLIANCE TEST

- First slope using milage as the Medicaid Statistic generated a slope of 1.45
 - We will continue to fine tune the process once MHD's CMS compliance lawyer has a chance to review and weigh in.
 - The original tax rate was too aggressive. When we were working with them to adjust the tax rate we also got them to agree to support another \$45 base rate increase for billing codes A0427 and A0429.
 - I will work with MoEMSAC's lobbying team to make sure this gets in the budget and hopefully through the General Assembly.

DISCUSSION

Questions, Comments & Discussion