

May 27, 2021

The Honorable Brenda Landwehr, Chairperson
House Committee on Health and Human Services
Statehouse, Room 352C-S
Topeka, Kansas 66612

Dear Representative Landwehr:

SUBJECT: Fiscal Note for HB 2372 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2372 is respectfully submitted to your committee.

HB 2372 would require the Kansas Department of Health and Environment (KDHE) to impose a Medicaid provider assessment on ground ambulance service providers. KDHE would be required to reimburse each ground ambulance service provider based on the emergency ambulance rates as determined by the U.S. Centers for Medicare and Medicaid Services (CMS) for similar payment rates. KDHE would be responsible for calculating the assessment and disbursing assessment revenues. Assessment revenues would be remitted to the Medicaid Ground Ambulance Service Provider Assessment Fund, which would be a new fund created by the bill. Assessment revenues would be expended in the following order of priority:

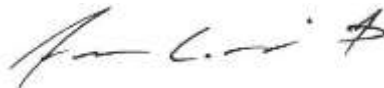
1. To provide funds for KDHE expenses to administer the program, which would include the greater of \$200,000 or 3.0 percent of the total amount of assessment revenue received;
2. To increase Medicaid payment rates for fee-for-service Medicaid ground ambulance services to a rate not higher than the maximum rate authorized by CMS or to make supplemental payments to ground ambulance service providers that are proportional to each provider's total Medicaid ambulance service; and
3. To increase nonemergency medical transport reimbursement rates, if any monies remain after items 1 and 2.

The bill would prohibit ground ambulance service providers from increasing charges or fees based on the assessment. The bill would require KDHE to determine by October 1, 2021, if federal approval is necessary to implement HB 2372. KDHE would be prohibited from implementing the bill before receiving approval from CMS.

The Emergency Medical Services Board estimates the bill could require additional expenditures ranging from \$9.8 million to \$10.5 million from all funds. Of the total amount, approximately \$4.2 million to \$4.4 million would be the state share which would be funded by the provider assessment. The estimate assumes reimbursement is set at the maximum Kansas Adjusted Medicare Allowable for Rural Zip Codes.

KDHE indicates that any costs incurred to administer the program would be covered by the provision in the bill that allows a portion of assessment revenues to be used for program operating expenses. Any fiscal effect associated with HB 2372 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Dan Thimmesch, Health & Environment
Joe House, EMS