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State/Territory Name: Kentucky

State Plan Amendment (SPA) #: 20-0013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

March 31, 2021

Lisa D. Lee
State Medicaid Commissioner
Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

RE: TN 20-013

Dear Ms. Lee:

We have reviewed the proposed Kentucky State Plan Amendment (SPA) to Attachment 4.19-B 20-13, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on January 5, 2021. The purpose of this SPA is to revise reimbursement for ground ambulance providers licensed as Class I -III to make interim and final supplemental payments.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Moe Wolf at 410-786-9291 or Moshe.Wolf@cms.hhs.gov.

Sincerely,

[Redacted Signature]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 0 — 0 1 3

2. STATE

Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

1/1/2021

5. TYPE OF PLAN MATERIAL (*Check One*) NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

7. FEDERAL BUDGET IMPACT

a. FFY²⁰²¹ \$ 1,596,000b. FFY²⁰²² \$ 2,128,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Att. 4.19-B, Page 20.12
Att. 4.19-B, Page 20.12.1
Att. 4.19-B, Page 20.12(a)9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*)Att. 4.19-B, Page 20.12
New
Att. 4.19-B, Page 20.12(a)

10. SUBJECT OF AMENDMENT

The purpose of this SPA is to revise reimbursement for ground ambulance providers licensed as Class I - III to make interim and final supplemental payments

11. GOVERNOR'S REVIEW (*Check One*) GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME
Lisa D. Lee14. TITLE
Commissioner15. DATE SUBMITTED
12/23/2020

16. RETURN TO

Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

December 23, 2020

18. DATE APPROVED

3/31/2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

Todd McMillion

22. TITLE

Director, Division of Reimbursement Review

23. REMARKS

Approved with the following changes to blocks 9 and 16, as authorized by agency on emails dated 3/11/2021

Block # 9 changed to read: Att. 4.19-B, Page 20.12, New, Att. 4.19-B, Page 20.12(a)

Block # 16 changed to read: Department for Medicaid Services, 275 East Main Street 6W-A, Frankfort, Kentucky 40621

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- (e) The base rate for BLS emergency ambulance transportation to a medical facility or provider other than the emergency room of a hospital during which the services of an ALS Medical First Response provider are required shall be sixty (60) dollars; the mileage allowance shall be two (2) dollars and fifty (50) cents per mile from mile one (1); a flat rate of fifteen (15) dollars shall be set for each additional recipient with no additional rate for mileage.
- (f) The base rate for non-emergency ambulance transportation during which the recipient requires no medical care during transport shall be fifty-five (55) dollars and the mileage allowance shall be two (2) dollars per mile from mile one (1).
- (g) The cost of other itemized supplies for ALS or BLS emergency transportation services shall be the actual cost as reflected on the transportation provider's invoice which shall be maintained in the provider's files and shall be produced upon request by the department. Each quarter, the department shall review a random sample of invoices to verify reported costs.
- (4) In addition to the rates described in paragraph (3) above, administration of oxygen during an ambulance transportation service (other than air ambulance transportation) shall be reimbursed at a flat rate of ten (10) dollars per one (1) way trip when medically necessary.
- (5) Reimbursement for an ambulance service shall not be made if a recipient receives transportation free as the result of a local subscription fee or tax.
- (6) Effective January 1, 2021, the Department shall make interim and final supplemental payments to Kentucky emergency ground ambulance providers licensed as Class I through III, as described below, in addition to payments made under Sections (1) through (5) above.
- (a) The Department shall pay a uniform add-on amount for emergent transports. For the calendar program year beginning January 1, 2021, total dollars available for the aggregate provider group will be \$2,519,204. The interim uniform emergent amount will be a fixed rate of \$358.22 based on the total dollars available divided by statewide emergent Medicaid ambulance transports paid in the most recent complete SFY of data available for Class I through III providers. The final uniform emergent amount will be the total dollars available, divided by actual calendar year 2021 statewide emergent transports for Class I through III providers, to adjust the final rate using actual utilization for the payment period.
- (b) The Department shall pay a uniform add-on amount for non-emergent transports. For the calendar program year beginning January 1, 2021, total dollars available for the aggregate provider group will be \$77,914. The interim uniform non-emergent amount will be a fixed rate of \$88.01 based on the total dollars available divided by statewide non-emergent Medicaid ambulance transports paid in the most recent complete SFY of data available for Class I through III providers. The final uniform non-emergent amount will be the total dollars available, divided by actual calendar year 2021 statewide non-emergent transports for Class I through III providers, to adjust the final rate using actual utilization for the payment period.

- (c) On an annual basis, the Department shall determine a lump sum monthly interim supplemental payment for each eligible provider utilizing the add-ons referenced in Items (a) and (b) above and the most recent complete SFY of utilization volume available. For conservativeness and to limit potential reconciliation paybacks, the utilization volume will be decreased to 95% for purposes of the interim payment determination.
- (d) On a monthly basis, the Department shall make interim payments to providers based upon the monthly amounts determined in Item (c).
- (e) On an annual basis following the program year, the Department shall make final reconciled payments to providers using the following process:
 - 1. Total funds available, as identified above, will be divided by actual program year transports to determine the final per transport amount.
 - 2. The final per transport amount will be multiplied by each provider's actual program year transports to determine the total funds available per provider.
 - 3. Interim payments will be subtracted from the available funds for each provider to determine a final supplemental payment owed. If the balance is positive, the additional amount will be paid to the provider. If the balance is negative, the overpaid balance will be recouped from the provider.
- (f) Final transport volumes will be based on Medicaid Management Information System data.

B. Commercial Transportation Carriers

When a broker has been terminated, the department shall reimburse participating commercial transportation carriers at usual commercial rates on an interim basis (pending selection of a new broker) with limitations as follows:

- (1) For taxi services provided in regulated areas the provider shall be reimbursed the normal passenger rate charged to the general public for a one (1) way trip regardless of the number of Medicaid eligible recipients transported when the trip is within the medical service area. The taxi shall be paid the single passenger rate regardless of the number of additional passengers.
- (2) For taxi services in those areas of the state where taxi rates are not regulated by the appropriate local rate setting authority, and for taxi services in regulated areas when they go outside the medical service area, the provider shall be reimbursed the normal passenger rate charged the general public for a single passenger (without payment for additional passengers, if any) up to the upper limit; reimbursement for transport of a parent or attendant shall be considered included within the upper limit allowed for the trip. The upper limit for a taxi transporting a recipient shall be:
 - (a) The usual and customary charge up to a maximum of six (6) dollars for trips of five (5) miles or less, one (1) way, loaded miles.
 - (b) The usual and customary charge up to a maximum of twelve (12) dollars for trips of six (6) to ten (10) miles, one (1) way, loaded miles.
 - (c) The usual and customary charge up to a maximum of twenty (20) dollars for trips of eleven (11) to twenty-five (25) miles, one (1) way, loaded miles.
 - (d) The usual and customary charge up to a maximum of thirty (30) dollars for trips of twenty-six (26) miles to fifty (50) miles, one (1) way, loaded miles.
 - (e) For trips of fifty-one (51) miles or above shall be the lesser of the usual and customary charge or an amount derived by multiplying one (1) dollar by the actual number of miles, not to exceed a maximum of seventy-five (75) dollars per trip, one (1) way, loaded miles.

C. Private Automobile Carriers.

- (1) The department shall reimburse private automobile carriers at the basic rate of twenty-two (22) cents per mile plus a flat fee of four (4) dollars per recipient if waiting time is required. For round trips of less than five (5) miles the rate shall be computed on the basis of a maximum allowable fee of six (6) dollars for the first recipient plus four (4) dollars each for waiting time for additional recipients. Private automobile carriers shall have a signed participation agreement with the Department for Medicaid Services prior to furnishing reimbursable medical transportation services.
- (2) For round trips of five (5) to twenty-five (25) miles the rate for private automobile carriers shall be computed on the basis of maximum allowable fee of ten (10) dollars for the first recipient plus four (4) dollars each for waiting time for additional recipients. The maximum allowable fee rates shall not be utilized in situations where mileage is paid.