



State of Oklahoma

Supplemental Medicaid Reimbursement for Ground Ambulance Services

April 2019

Content



Experience



Current State



Cost Recovery Opportunity



Service Offerings



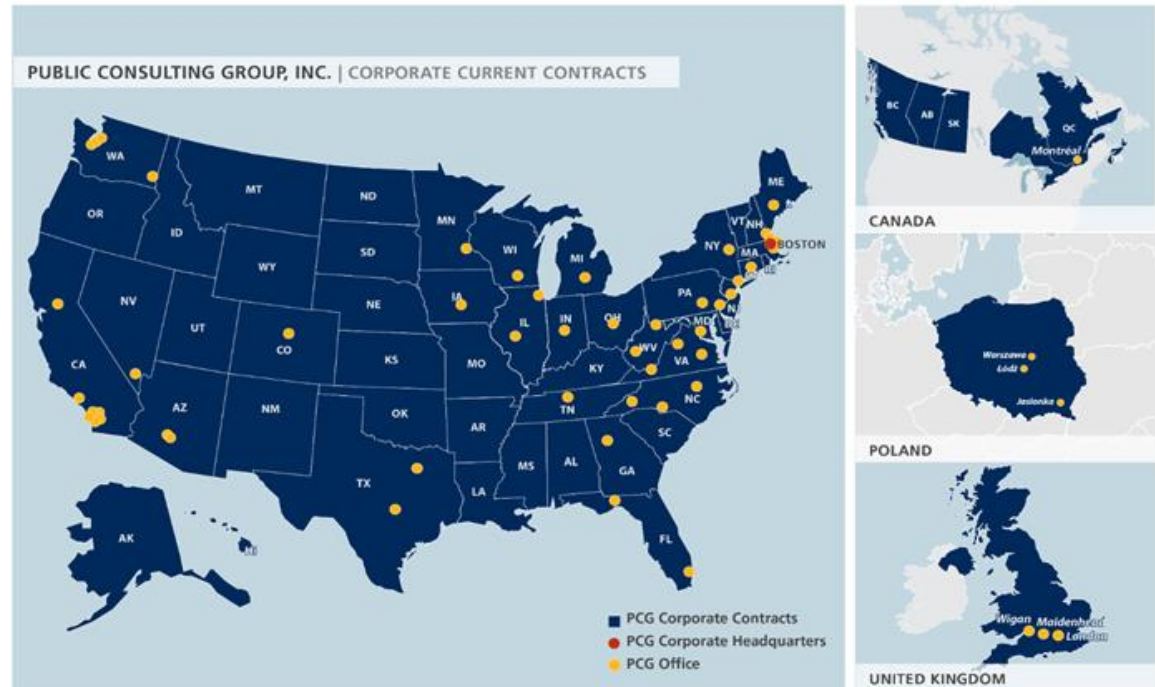
Next Steps

Experience

Public Consulting Group (PCG)

Provides industry-leading management consulting and technology to public sector education, health, human services, and other government clients achieve their performance goals and better serve populations in need

- PCG was founded in 1986 with a mission of helping public sector agencies improve operational and managerial performance.
- ~**2,000** employees across **40+** offices across four nations.
- Currently have systems deployed in **35** states with more than **60** applications implemented across health and human service agencies.



PCG EMS Experience

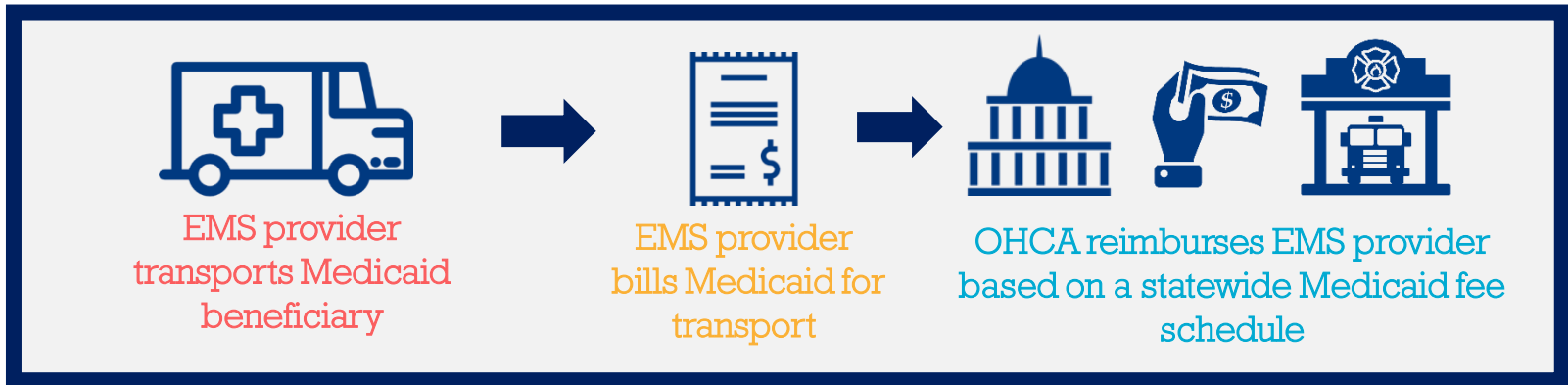
PCG has successfully assisted many state and local EMS agencies on cost recovery programs:

- WA State Health Care Authority
 - >70 providers
- FL Agency for Health Care Administration
 - >45 providers
- TX Health and Human Services Commission
 - >50 providers
- MA Executive Office of Health and Human Services
 - >70 providers
- CO Department of Health Care Policy and Financing
- Kansas Emergency Medical Services Association
- DC Fire & EMS
- Richmond (VA) Ambulance Authority



Current State

The EMS provider community faces a difficult financial situation



Medicaid payment rates **do not recognize the actual costs** incurred by EMS providers for the provision of EMS services

CMS Medicaid Fee Schedule	
ALS1	\$XX
ALS2	\$XX
BLS1	\$XX
BLS2	\$XX

Budget
<ul style="list-style-type: none"> • General Funds • EMS Special Funds <ul style="list-style-type: none"> • Tobacco taxes • State vehicle registration fees

Typically the rate at which Medicaid transports are reimbursed is *25% or less* of the actual cost to the department

This requires municipalities and counties to use *alternative funding sources* to supplant the costs such as the allocation of taxes and fees

Summary of Charges & Interim Payments

In SFY17, OK providers collected **less than 30% of charges** for Medicaid transports*

	Total	Per Trip
Charges	\$75M	\$1,258
Revenues	\$22M	\$376
Net Loss	\$53M	\$882

The \$53 million deficit is attributed to the **low level of reimbursement** for transports of Medicaid beneficiaries

Cost Recovery Opportunity

How to make up the difference between the cost and interim payments

Overcoming “declining” Medicaid reimbursement:

- CMS allows states to establish supplemental payment methodologies
- Optimal route to revenue maximization is dependent on state/local rules & regulations, provider mix, and Medicaid payer mix



Typical Process



Bill Medicaid
for eligible transports
throughout the Fiscal
Year



Receive Medicaid FFS
Interim Payments
throughout the Fiscal
Year



Complete Annual
Cost Report after the
close of the Fiscal
Year to report cost of
services



Receive
supplemental
reimbursement
through Cost
Settlement process

Provider Eligibility Requirements

GEMT providers must meet all of the following requirements:

- Be enrolled as an Oklahoma Medicaid provider for the period being claimed on their annual cost report
- Provide ground emergency medical transport (GEMT) services to Medicaid recipients
- Qualify as a governmental GEMT provider

GEMT Provider Eligibility Requirements Include

- The provider is “publicly owned or operated” – Unit of government which is a State, a city, a county, a special purpose district or authority, or other governmental unit in the State that has taxing authority, has direct access to tax revenues, or is an Indian tribe as defined in Section 4 of the Indian Self-Determination and Education Assistance Act.
- The provider “contracts with a local government” – Contract through interlocal agreement with a city, county, or local service district, including, but not limited to a rural fire protection district, and all administrative subdivisions of such city, county, or local service district, pursuant to a plan for emergency medical services.

Key Milestones

OKAMA & PCG began exploring the opportunity with OHCA in 2014

- Initial discussions and analysis assumed that private providers represented a more significant portion of the provider mix. Given this information, a provider assessment was initially believed to be the best path forward
- With more data on the provider mix and the provision of Medicaid services, the Certified Public Expenditure approach became the most feasible and beneficial approach



Step 1: Design Program Model

Step 2: Engage Stakeholders

Step 3: Develop SPA and Facilitate CMS Review and Approval

Step 4: Implement Program

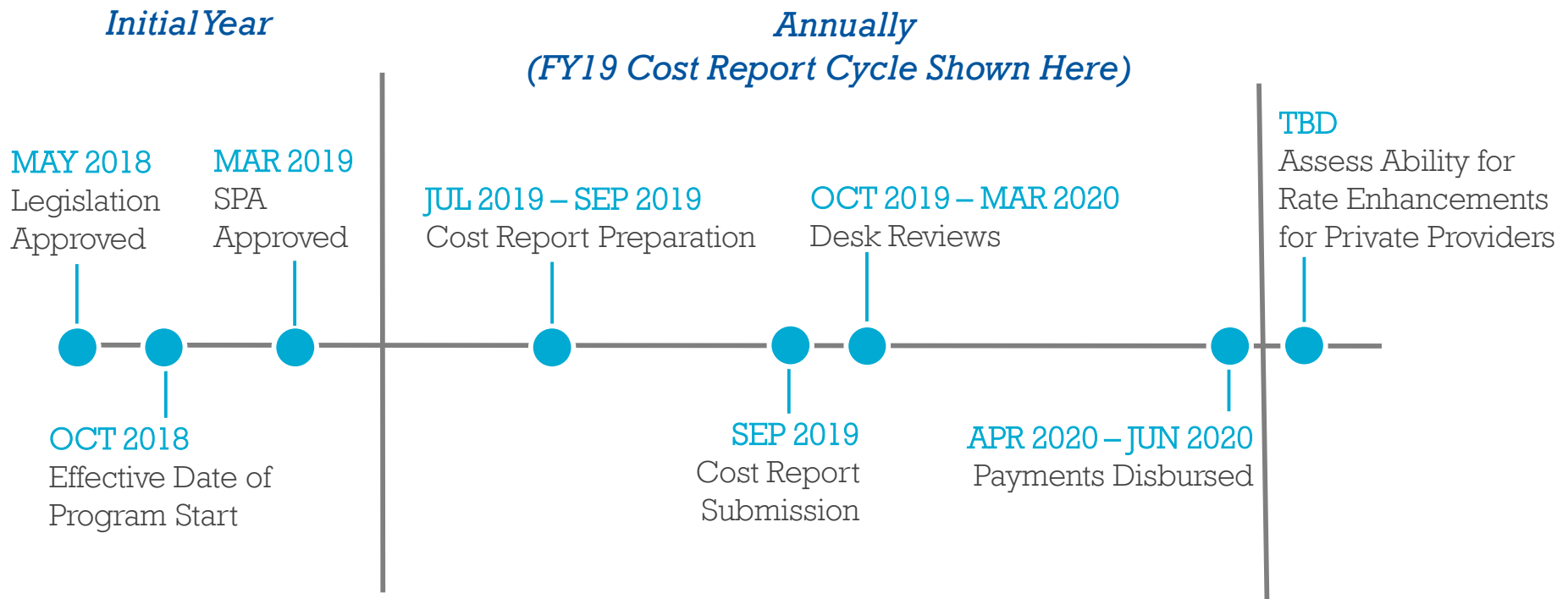
Step 5: (Ongoing): Administer Program

YOU
ARE
HERE

Projected Timeline

Much needed relief for Oklahoma providers is on the way

- OK SB 1591 (approved by the Governor 5/8/18) directed the Oklahoma Health Care Authority (OHCA) to design and implement a supplemental Medicaid reimbursement program for ambulance services



Service Offerings

Provider Concerns

While these programs offer great benefits to EMS providers, there are a number of common challenges and concerns

Time Constraints

How much time will I need to spend on this process?

Regulations

How do I determine which costs are allowable?

Quality Assurance

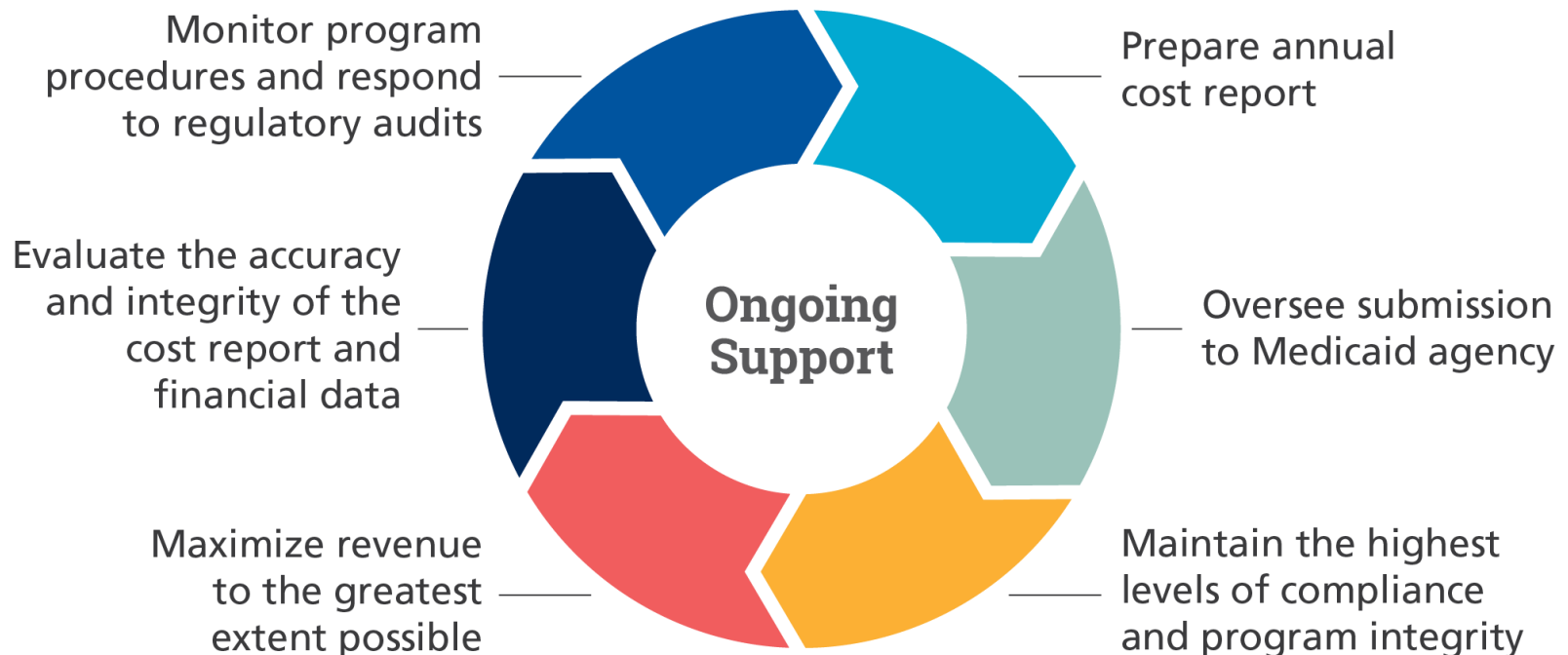
Who will ensure that the cost report is prepared correctly?

Audits

What if I am selected for an audit?

PCG Service Offerings

Cost reporting does not end upon submission. PCG is committed to supporting providers through the entire cost report lifecycle:



PCG Service Offering: Analysis & Reporting

PCG provides unmatched EMS cost reporting services

- Preparing program application packets to ensure that providers are eligible
- Preparing training manuals and facilitating provider trainings
- Working with providers to evaluate integrity of source financial data
- Engaging billing departments/vendors to customize data extracts
- Developing appropriate state and federally accepted cost allocation methodologies
- Applying all federal cost determination rules in analysis of provider expenditures
- Examining billing reports to select and report only allowable reimbursable claims
- Documenting cost reporting processes and compliance measures
- Assisting in the submission of reports to the state Medicaid agency
- Providing a dedicated helpdesk to respond to provider questions

PCG Service Offering: Web-Based Solution

The traditional Excel-based cost reporting template can be difficult to navigate for many providers

- Includes no validation checks to aid providers in discovering inaccuracies
- Includes 10 schedules in addition to a certification page
- Requires classification of costs into one of the 75 cost centers and into one of the 3 primary objectives (MTS, non-MTS, or shared)

SCHEDULE 4 - ALLOCATION OF CAPITAL RELATED AND SALARIES & BENEFITS (CRSB) EXPENSE

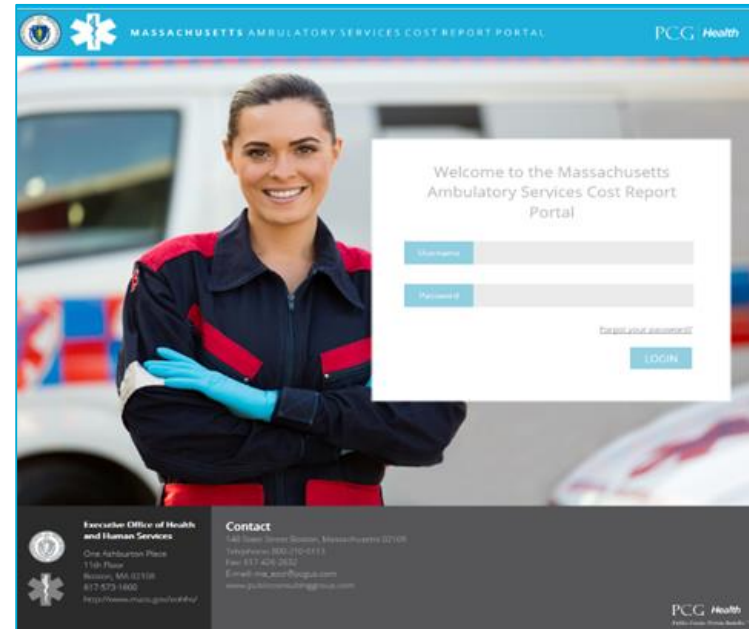
Ambulance Service Provider Name: _____ 0 Fiscal Year Ended: January 0, 1900
 National Provider Identification: _____ 0

Line No.	Cost Center	General Ledger Account Number	1 Expense to be Apportioned	2 Total Reclassifications (A) Fr Sch 6, Cols 4 & 7	3 Total Adjustments (B) Fr Sch 7, Col 1	4 Net Expense to be Apportioned	5 MTS Allocation 0.00%	6 NON-MTS Allocation 0.00%
Capital Related								
1.00	Depreciation - Buildings and Improvements		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.00	Depreciation - Leasehold Improvements		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.00	Depreciation - Vehicles		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4.00	Depreciation - Equipment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5.00	Depreciation and Amortization - Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.00	Leases and Rentals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7.00	Property Taxes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8.00	Property Insurance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9.00	Interest - Property, Plant, and Equipment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.00	Other- (Specify)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11.00	Other- (Specify)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Capital Related (Lines 1.00 thru 11.00)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries								
12.00	Chief		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13.00	Administration/Director		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14.00	Medical Director		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15.00	Firefighters		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16.00	Paramedics		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17.00	Fire Marshal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18.00	Fire Prevention		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19.00	Emergency Management Coordinator		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20.00	Public Information Officer		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21.00	Safety Officer		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22.00	Training Coordinators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23.00	Quality Assurance Techs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24.00	911 Call Technicians		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25.00	Billing Reps		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26.00	Other- (Specify)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal Salaries (Lines 12.00 thru 26.00)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits								
27.00	Chief		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28.00	Administration/Director		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29.00	Medical Director		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30.00	Firefighters		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31.00	Paramedics		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32.00	Fire Marshal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33.00	Fire Prevention		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34.00	Emergency Management Coordinator		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35.00	Public Information Officer		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36.00	Safety Officer		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37.00	Training Coordinators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38.00	Quality Assurance Techs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39.00	911 Call Technicians		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40.00	Billing Reps		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41.00	Other- (Specify)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal Fringe Benefits (Lines 27.00 thru 41.00)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Salaries & Fringe Benefits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

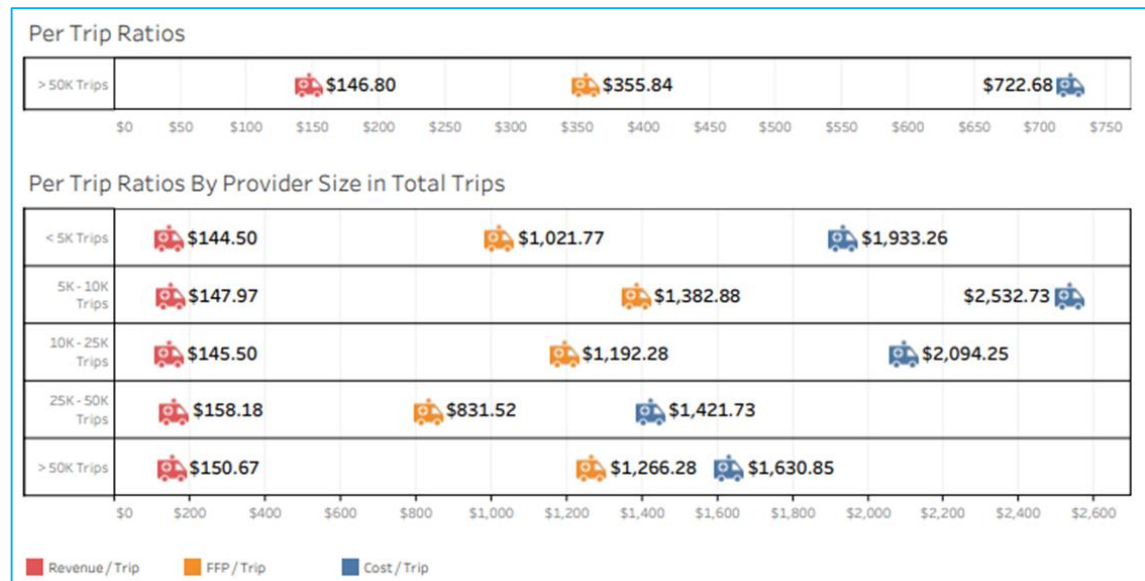
CAD/Trip Statistics for Capital & Direct Service Cost Allocation		
Description	Statistic	Factor
CAD/Trip Statistics for MTS Duty	-	0.00%
CAD/Trip Statistics for NON-MTS Duty	-	0.00%
CAD/Trip Statistics to be Apportioned	-	0.00%

PCG Service Offering: Web Based Solution

PCG has introduced a web-based cost reporting application that stores necessary charge, expenditure, revenue, and other statistical information used to calculate the cost settlement



- Streamlines data input and cost settlement calculations
- Implements real-time validation checks for quality assurance and accuracy
- Provides enhanced reporting capabilities



PCG Service Offering: Desk Review/Audit Support

PCG's approach to conducting cost report audits focuses on identifying and mitigating risk

- Conducting a detailed analysis of key cost report inputs including Medicaid billing data, personnel and other operating expenditures, depreciation, indirect costs, and CAD data.
- Evaluating the accuracy and integrity of the cost report and financial data. Verifying that only allowable costs and charges are included in the cost report.
- Maintaining supporting data that is well-organized and readily accessible.
- Documenting processes and identifying strengths, weaknesses, and mitigating controls. Proactively offering recommendations for strengthening compliance.
- Serving as designated liaisons with state/federal auditors.

In FY15, our desk reviews in Massachusetts identified a reported \$8 million in unallowable costs, protecting providers from a costly settlement recoupment in the event of an audit

Next Steps

Next Steps

Work with stakeholders and OHCA to implement the program

Calculate revenue estimate for providers

- Budget
 - Expenditures by cost center & object code
- Summary billing data by payor
 - # Transports
 - Total Charges
 - Total Payments
- Utilization Data
 - # EMS responses
 - # Fire/other responses

