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MEMORANDUM

To: Senate Committee on Ways and Means
From: Scott Abbott, Assistant Revisor of Statutes
Date: March 22, 2017
Re: SENATE BILL No. 186

Section 1 of SB 186 would provide that an eligible provider would receive supplemental Medicaid reimbursement to the extent provided by law in addition to the rate that the provider would otherwise receive for ground emergency medical transportation services. The bill defines eligible providers as those providers that provide ground emergency medical transportation services to Medicaid beneficiaries, that are enrolled as Medicaid providers and that are owned and operated by the state, a political subdivision or local government, as well as private entities to the extent allowed under federal law. Any supplemental Medicaid reimbursement would be calculated to be equal to the amount of federal financial participation, no more or less than 100% of actual costs for ground emergency medical transportation services and on a federally permissible basis.

Section 2 of SB 186 would direct the department of health and environment to design and implement an intergovernmental transfer program relating to Medicaid managed care, ground emergency medical transportation services and services rendered in pre-stabilization and preparation for transport in order to increase capitation payments to increase reimbursement to eligible providers. The bill would require the department to make such increased capitation payments that are actuarially equivalent to supplemental fee-for-service payments and commercial reimbursement rates, and would require Medicaid managed care plans to pay 100% of any amount of increased payments to eligible providers. Each participating provider would be required to reimburse the department for any costs associated with implementing intergovernmental transfers, subject to an administration fee up to 20% of the non-federal share of the payment. Such administration fee would count as a cost of providing the services not to exceed 120% of the total amount.

SB 186 would provide that the legislature's intent in enacting the bill is to provide supplemental Medicaid reimbursement with no expenditures from the state general fund. The bill would require that an eligible provider enter into and maintain an agreement with the department of health and environment to implement the bill and reimburse the department for the

costs of administering the bill. Participation in the supplemental Medicaid reimbursement program by eligible providers or in the intergovernmental transfers would be voluntary.

SB 186 would direct the department of health and environment to seek any federal approval necessary to implement the bill and condition implementation of the bill upon such approval. The bill would require the department to implement the program as approved by the federal Centers for Medicare and Medicaid Services.

If enacted, the bill would take effect upon publication in the statute book, July 1, 2017.