

Alaska Supplemental Emergency Medical Transportation (SEMT)

PROGRAM OVERVIEW



Intros & Questions

- ▶ Office of Rate Review (ORR) Introductions
- ▶ Questions

Agenda

- ▶ Program Overview
 - ▶ Provider Eligibility
 - ▶ Provider Enrollment
 - ▶ SEMT Eligible Transports
 - ▶ Annual Submissions
 - ▶ Interim Payments
 - ▶ Cost Reconciliation
 - ▶ Final Settlement
- ▶ Timelines
 - ▶ 'Past' Years
 - ▶ Future Years
- ▶ Administrative Fee

SEMT Program Overview

- ▶ Other States' GEMT
- ▶ Alaska Legislature HB176
- ▶ A voluntary program to make Medicaid supplemental payments not previously covered by fee-for-service Medicaid payments for ground, air, and water emergency medical transportation services through a Certified Public Expenditure (CPE) program for publicly owned and operated Medicaid emergency medical transportation providers
- ▶ Alaska State Plan Amendment (SPA) 19-007 effective August 31, 2019
 - ▶ Agreement with Federal Government
 - ▶ Effective date determines which transports can be included in the program
- ▶ Regulations 7 AAC 145.750-799 effective date October 9, 2021

SEMT Provider Eligibility

- ▶ In order to be considered for SEMT eligibility, a provider must meet all the following:
 - ▶ Be enrolled as a Medicaid provider for emergency medical transport services for the period claimed on their annual cost report, and
 - ▶ Provide fee for service ground, air, or water emergency medical transportation services to Medicaid recipients, and
 - ▶ Be publicly owned or operated
 - ▶ State
 - ▶ City, county, home rule municipality, borough, special purpose district, or other governmental unit in that state that has taxing authority or direct access to tax revenue
 - ▶ A federally recognized Indian tribe or tribal organization

SEMT Eligible Transports

- ▶ Emergency Medical Transport
 - ▶ Initiated through the 911 system
 - ▶ Is determined by DHSS through pulling paid Medicaid claims from the Medicaid Management Information System (MMIS)
 - ▶ Provider Type 082 Ground Ambulance inclusive of water ambulance
 - ▶ Provider Type 102 Air Ambulance
- ▶ Includes fee for service paid Medicaid claims for Medicaid recipients under:
 - ▶ Title XIX
 - ▶ Title XXI (CHIP)
 - ▶ Medicaid Expansion
 - ▶ Indian Health Services, including tribal refinancing
- ▶ Does not include:
 - ▶ Other payors
 - ▶ Applicants in the process of being determined eligible for Medicaid
 - ▶ Medicare recipients with dual eligibility for Medicaid
 - ▶ Dry Runs (A0998)

Annual Provider Enrollment

- ▶ Providers continue to submit fee for service Medicaid claims as they currently do
- ▶ To enroll into the voluntary SEMT Program, providers must annually:
 - ▶ Within 5 months* of the provider's fiscal year end (FYE)**
 - ▶ Complete and submit the Program Participation Agreement
 - ▶ Complete a cost report certifying public expenditures and supporting documents
 - ▶ Cost reporting period aligns with provider's FYE
 - ▶ Agree to reimburse the Department's administrative costs associated with the SEMT program via an administrative fee
 - ▶ No state funds can be utilized in the SEMT program

* Documents for 'past' fiscal years are due 180 days after regulations are effective

** A report due on a Saturday, Sunday, or a holiday is considered timely filed if it is received on or before 5 PM AKST the following business day

Questions



Cost Reporting Process

- ▶ Step #1 – Annual Report submission (By Provider)
- ▶ Step #2 – Interim Payment Calculation and payment to provider (By DHSS)
- ▶ Step #3 – Cost Reconciliation (By DHSS with potential questions to provider)
- ▶ Step #4 – Final Settlement Calculation and payment to/recoupment from provider (By DHSS)

Step #1 – Annual Report Submission

- ▶ Provider submits to AKSEMT@alaska.gov
 - ▶ SEMT Provider Participation Agreement
 - ▶ SEMT Cost Report
 - ▶ Supporting documentation for cost report and cost determination
 - ▶ Audited Financial Statements (AFS)
 - ▶ Post-audit working trial balance (PAWTB) tying to the AFS
 - ▶ Reconciliation of the PAWTB to the cost report
 - ▶ Supporting documentation (if applicable) for cost determination and allocation
 - ▶ Floor Plans
 - ▶ Depreciation Schedules
 - ▶ Call Logs
 - ▶ Time Studies
- ▶ Provider must maintain records of required records for at least 7 years from the date the document is submitted
 - ▶ Required because Legislative Audit and/or CMS can audit the program (desk review work & payments made by DHSS on provider's cost reports)

Provider Participation Agreement

- ▶ Lists provider specific information such as
 - ▶ NPI
 - ▶ Alaska Medicaid Provider ID
- ▶ Lists provider's responsibilities for provider to agree with
- ▶ Due with each annual report/cost report submission
 - ▶ CY19 would have one and CY20 would have one

Alaska Medicaid
Supplemental Emergency Medical Transportation (SEMT) Program

SEMT Provider Participation Agreement

Name of Provider: _____

Provider NPI Number: _____ Alaska Medicaid Provider Numbers _____

Service period begin date: _____ Service period end date: _____

Statement of Intent

The purpose of this agreement is to allow participation in the Supplemental Emergency Medical Transportation Program (SEMT Program) by the governmentally owned or operated provider, named above, subject to the provider's compliance with the requirements and responsibilities set forth in this agreement.

SEMT Provider Responsibilities

Cost Report

- ▶ Separate training
- ▶ Request to submit both in PDF and excel
- ▶ Certification page needs to be signed hard copy in PDF

Reconciliation

- ▶ A reconciliation of the post audit working trial balance (PAWTB) to the cost report is a crosswalk of where each WTB account is reported on a cost report.
- ▶ If a single WTB account is reported on more than one cost report line, the recon would explain how the amount is allocated to each line (allocation basis)
 - ▶ The support for the allocation would be provided
 - ▶ For example, if costs are allocated using square footage, a floor plan would be provided
- ▶ The PAWTB and the reconciliation can be submitted as a single file.

Reconciliation, cont.

| Department | G/L # | Account Title | Amount | Cost Report Schedule | Cost Report Line | Explanation (if multiple CR lines or schedules) |
|------------|-------|---------------------------|---------------|----------------------|------------------|---|
| 9999 | 100 | Depreciation | \$ 100,000.00 | 4 | 1, 3 | Fixed Asset Schedule |
| 9999 | 120 | Property Insurance | \$ 5,000.00 | 4 | 7 | |
| 9999 | 150 | Administration - Salaries | \$ 35,000.00 | 5 | 32 | |
| 9999 | 170 | Office Supplies | \$ 500.00 | 5 | 41 | |
| 9999 | 200 | Advertising | \$ 1,700.00 | 2, 3 | 35 | Advertising Invoices |
| 7000 | 10 | Staff Wages - Reg | \$ 500,000.00 | 4 | 15 | |
| 7000 | 20 | Staff - OT | \$ 75,000.00 | 4 | 15 | |
| 7000 | 30 | Staff - FICA | \$ 40,000.00 | 4 | 24 | |
| 7000 | 40 | Staff - FUTA | \$ 30,000.00 | 4 | 24 | |
| 7000 | 50 | Staff - Medicare | \$ 10,000.00 | 4 | 24 | |
| 7000 | 60 | Staff - Worker's Comp | \$ 30,000.00 | 4 | 24 | |
| 7000 | 70 | Medical Supplies | \$ 5,000.00 | 2 | 46 | |
| 9999 | 90 | Electric | \$ 20,000.00 | 5 | 45 | |
| | | | \$ 852,200.00 | | | TOTAL |

Attachment #1

Please see the fixed asset schedule support. It shows the breakout of \$70,000 for depreciation equipment (Line 3) and \$30,000 for building depreciation (Line 1).

Attachment #2

The \$1,700 in advertising was spent on advertising. \$1,300 was spent on recruitment of personnel and was placed in CR Schedule 2. \$400 was spent on television advertising for fundraising and was placed on CR Schedule 3.

Questions



Step #2 - Interim Payments

- ▶ Paid not later than the end of the 2nd quarter following cost report submission
- ▶ Calculated on Schedule 9 of the Cost Report by the Department
- ▶ Uses the provider's as filed cost per medical transport
- ▶ Varies by provider
 - ▶ Varies by service component (air, ground, and water)
- ▶ Uses claims information from the Medicaid Management Information System (MMIS) to determine SEMT eligible medical transports, Medicaid revenue, and third-party liability (TPL)
- ▶ Formula:
 - ▶ $(\text{Sum of allowable direct and indirect costs}) / \text{total number of medical transports} = \text{provider's cost per medical transport}$
 - ▶ $\text{Cost per medical transport} \times \text{number of SEMT eligible medical transports} = \text{allowable Medicaid emergency medical transportation (EMT) costs}$
 - ▶ $\text{Allowable Medicaid EMT costs} - \text{Medicaid FFS Revenue} - \text{Medicaid third-party liability (TPL)} = \text{Medicaid EMT costs not paid by any other source}$
 - ▶ $\text{Medicaid EMT costs not paid by any other source} \times \text{Title XIX FMAP} = \text{Interim Payment}$

Interim Payment Example

| ▶ <u>Example (Just using a single transport):</u> | | <u>Source</u> |
|---|----------------|----------------------|
| ▶ Provider's cost per medical transport per cost report <u>as filed</u> : | \$2,500 | Cost Report As Filed |
| ▶ MINUS Medicaid fee-for service (FFS) payment: | \$(500) | MMIS** |
| ▶ <u>MINUS Medicaid third party liability (TPL) payment:</u> | <u>\$(100)</u> | <u>MMIS**</u> |
| ▶ CPE Costs not covered via other sources of payment | \$1,900 | |
| ▶ <u>Federal Medical Assistance Percentage (FMAP) Title XIX*</u> | <u>50%</u> | |
| ▶ Interim Supplemental Payment for the transport | \$950 | |

*FMAP for Interim Payments is Title XIX's FMAP for a conservative estimate to limit potential overpayment due back at final settlement

**Medicaid Management Information System

Step #3 – Cost Reconciliation

- ▶ The Office of Rate Review (ORR) will conduct a desk review of a provider's cost report to provide assurances to CMS as to the accuracy
- ▶ ORR may reach out to providers with questions during the desk review process
- ▶ Auditor conducts steps to review accuracy including, but not limited to:
 - ▶ Verifying that expenses/revenues from AFS ties to the PAWTB and to Schedule 1 of the SEMT Cost Report or that the variance is identified
 - ▶ Reviewing the reconciliation to ensure that amounts are appropriately reported on the cost report and the supporting documents for allocation
 - ▶ Ensuring non-allowable costs are reported appropriately
- ▶ May result in adjustments that change the as filed cost per medical transport
 - ▶ Will result in the adjusted/final cost per medical transport used on Schedule 10 of the Cost Report for final settlement

Cost Reconciliation - Adjustments

- ▶ ORR will submit to provider
 - ▶ Final, adjusted cost report
 - ▶ List of any adjustments made
- ▶ Provider has the right to reconsideration
 - ▶ In writing to ORR, list the basis for the reconsideration
 - ▶ Providers have 40 days after ORR issues the final, adjusted cost report to request reconsideration
 - ▶ If a provider notifies ORR in writing of acceptance prior to the 40 days, the final settlement payment process can begin
 - ▶ If a provider notifies ORR in writing of a request for a reconsideration, the final settlement payment process will occur after reconsideration
 - ▶ If a provider does not notify ORR of acceptance or a request for reconsideration, ORR will wait for the 40 day window to close prior to beginning the final settlement payment process

Step #4 - Final Payment Example

| ▶ <u>Example (Just using a single transport):</u> | <u>Source</u> | |
|--|----------------|------------------|
| ▶ Provider's cost per medical transport per cost report <u>as adjusted</u> : | \$2,400 | Cost Report Adj. |
| ▶ MINUS Medicaid fee-for service (FFS) payment: | \$(500) | MMIS** |
| ▶ <u>MINUS Medicaid third party liability (TPL) payment:</u> | <u>\$(100)</u> | <u>MMIS**</u> |
| ▶ CPE Costs not covered via other sources of payment | \$1,800 | |
| ▶ <u>Federal Medical Assistance Percentage (FMAP)*</u> | <u>70%</u> | <u>MMIS**</u> |
| ▶ Calc. Supplemental Payment for the transport | \$1,260 | |
| ▶ <u>MINUS Interim Supplemental Payment for the transport</u> | <u>\$(950)</u> | |
| ▶ EQUALS Final Supplemental Payment made for the transport | \$310 | |

*FMAP depends on the eligibility of the recipient. It is determined in the MMIS system.

**Medicaid Management Information System

Final Payment Note

- ▶ The cost reconciliation process may result in an overpayment that the provider will have to submit back to the department
 - ▶ Due within 30 days of notice
- ▶ Regulations attempted to limit chances of an overpayment by making interim payments use the lowest (Title XIX) FMAP when calculating the interim payment instead of the FMAP assigned to the claim based on recipient eligibility.
- ▶ Interim Payments use MMIS claims data that hasn't completed timely filing, which also limits chances of an overpayment

Federal Medical Assistance Percentage (FMAP)

- ▶ Used to determine the amount of Federal matching funds
- ▶ Can vary state to state
- ▶ Can vary based on recipient program eligibility
 - ▶ Title XIX
 - ▶ 50% for FFY19, FFY20, FFY21
 - ▶ 56.2% (Enhanced Covid funding) 1/1/20 through 'at least 12/31/21'
 - ▶ Title XXI (Denali KidCare)
 - ▶ 88% for FFY19
 - ▶ 76.5% for FFY20
 - ▶ 80.84% (Enhanced Covid funding) starting 1/1/20
 - ▶ 65% for FFY21
 - ▶ 69.34% (Enhanced Covid funding)
- ▶ Medicaid Expansion
 - ▶ 93% for CY19
 - ▶ 90% for CY20 and beyond
- ▶ Indian Health Services or Tribal Refinancing per CMS State Health Official Letter #16-002
 - ▶ 100%

Questions



(Break)

Timelines – Previous Years

- ▶ The SPA was approved with an effective date of August 31, 2019
 - ▶ All medical transports on or after this date of service are eligible for SEMT
- ▶ To get the process up and running with regulations, there is a lag from when the regulations are effective that created this program and the SPA approval date
 - ▶ In the regulations, DHSS stated when reports for 'past' fiscal years must be submitted
 - ▶ 180 days after effective date of regulations
 - ▶ Regulations effective date = 10/9/21
 - ▶ Past fiscal years' reports due = 4/7/22
- ▶ 'Past' fiscal years identified in regulations 7 AAC 145.760(h)
 - ▶ FFY19-20, CY19-20, SFY20-21
 - ▶ FFY21 Extension
 - ▶ Aligns with all other previous years

Timelines – Previous Years

| Step | Due | SFY20-21 | FFY19-21 | CY19-20 |
|--|---|----------|----------|----------|
| Annual Report submission for 'past' fiscal years | 180 days after effective date (10/9/21) of regulations | 4/7/22 | 4/7/22 | 4/7/22 |
| Interim Payment for 'past' fiscal years | End of 2 nd quarter following cost report submission | 12/31/22 | 12/31/22 | 12/31/22 |
| Final Cost Settlement for 'past' fiscal years | Within 3 years of receipt of as-filed annual report | 4/7/25 | 4/7/25 | 4/7/25 |

Timelines – Future Year Reports

| Step | Due | CY21 Provider | SFY22 Provider | FFY22 Provider |
|--|--|-----------------------|----------------------|----------------------|
| Annual report submission for 1 st future year | 5 months after provider's FYE | 5/31/22 | 11/30/22 | 2/28/23 |
| Interim Payments | Before the end of 2 nd quarter following cost report submission | On or before 12/31/22 | On or before 6/30/23 | On or before 9/30/23 |
| Final Cost Settlements | EARLIEST: 1 year after provider's FYE for timely filing | 12/31/22 | 6/30/23 | 9/30/23 |
| | LATEST: Within 3 years of receipt of as-filed annual report | 5/31/25 | 11/30/25 | 2/28/26 |

Partial Year

- ▶ The SPA is effective August 31, 2019
 - ▶ Only transports after this can be SEMT eligible transports
- ▶ The FFY19, CY19, and SFY20 reports can only have a portion of their transports included for SEMT
 - ▶ FFY19 August 31 – September 30, 2019 1 month
 - ▶ CY19 August 31 – December 31, 2019 4 months
 - ▶ SFY20 August 31, 2019 – June 30, 2020 10 months
- ▶ Does not require any change on provider's part
 - ▶ Cost Report is still submitted for entire fiscal year and for all transports to calculate cost per medical transports
- ▶ On Schedules 9 and 10 for interim payment and final settlement, ORR will only include claims from MMIS with dates of services on or after August 31, 2019, to calculate the values.

Questions



Admin Fee

- ▶ Alaska Legislature's bill did not allow this program to cost additional state fund expenditures
- ▶ Required an administrative fee to cover state fund costs of staff needed for the SEMT program
 - ▶ ORR Staff perform Medicaid administrative activities
 - ▶ 50% State Funds
 - ▶ 50% Federal funds
- ▶ ORR Staff will conduct positive time keeping to determine salary costs for SEMT activities, as a whole, for all providers during a specified time period
- ▶ Admin fees are due on or before June 15 each year for providers who submitted reports during the preceding April 1 through March 31

Admin Fee Annual Calculation

▶ Formula:

▶ Step 1: Calculate Admin Fee per SEMT Transport

State General Funds costs of SEMT program for one year (April 1 – March 31)

SEMT Eligible Medicaid transports for cost reports submitted during same time period

▶ Step 2: Calculate each provider's Admin Fee

Admin Fee per SEMT transport X provider's SEMT Transports during the time period of the cost report submitted

▶ FY23 Example for SFY provider

▶ Step 1:

State General Funds costs of SEMT program April 1, 2023 – March 31, 2024

SEMT Eligible Medicaid transports for CY22, SFY23, and FFY23 Cost Report submitted 5/31/23, 11/30/23, and 2/29/24 respectively

▶ Step 2:

Admin fee per SEMT transport x provider's CY22, SFY23 or FFY23 transports

Admin Fee

- ▶ Each April – early/mid May,
 - ▶ DHSS will get records on positive timekeeping to get state fund salary costs
 - ▶ DHSS will use MMIS claims reports for dates of services reported in cost reports submitted in the prior April 1 through March 31
 - ▶ DHSS will calculate admin fee per medical transport
 - ▶ DHSS will calculate each provider's administrative fee
 - ▶ Cost per medical transport X # of provider's SEMT transports
- ▶ By May 15
 - ▶ DHSS will send notice to each provider of their administrative fee
- ▶ By June 15
 - ▶ Provider will submit payment to DHSS for admin fee

Admin Fee Future Timeline Example

- ▶ 5/31/23 CY providers will submit their CY22 annual reports
- ▶ 11/30/23 SFY providers will submit their SFY23 annual reports
- ▶ 2/29/24 FFY providers will submit their FFY23 annual report
- ▶ 4/1/24 – 4/30/24 DHSS will gather salary costs for SEMT from 4/1/23 – 3/31/24
DHSS will gather SEMT providers' SEMT transports for CY22, SFY23, and FFY23
DHSS will calculate admin fee per transport
DHSS will calculate each provider's total admin fee by multiplying admin fee per transport by the provider's SEMT transports for CY22, SFY23, or FFY23
- ▶ 5/15/24 DHSS will send out admin fee amount to provider
- ▶ On or before 6/15/24 Provider submits payment to DHSS

Admin Fee Notes

- ▶ Publicly noticed regulations called for a flat admin fee per cost report submitted that is the same for all providers
- ▶ Public comments resulted in flat admin fee per medical transport that is the same for all providers
 - ▶ Results in admin fee that varies by provider
 - ▶ A provider with 2 times the medical transports of another provider pays 2 times the admin fee of the other provider
- ▶ Admin fee isn't specifically for work performed on the cost reports submitted during the time period
 - ▶ Cost reconciliation can take up to 3 years
 - ▶ DHSS needs to cover the staff costs each year, so could not wait until final reconciliation

Admin Fee Notes, cont.

- ▶ Can vary year to year
 - ▶ Work may take longer with provider and DHSS learning initially
 - ▶ Number of providers reporting
 - ▶ Size of providers reporting
 - ▶ Desk Review is estimated to take roughly the same time for each provider
 - ▶ A provider with more transports may not have a desk review that takes more time
 - ▶ If providers with small number of transports opt into the SEMT program, it is estimated the admin fee per medical transport would go up because the same amount of salary costs will be added for that desk review in the numerator, but a small number of transports will be added to the denominator
- ▶ The admin fee is not a SEMT eligible expenditure on the cost report

First Admin Fee

- ▶ The first admin fee includes positive timekeeping costs from the effective date of the regulations, October 9, 2021, through the March 31 following the first cost report submissions
- ▶ First cost reports are due April 7, 2022
- ▶ If all providers submit cost reports on or after April 1, 2022, the first admin fee would be June 15, 2023
 - ▶ This creates a lagging funding issue for DHSS
- ▶ If any providers submit cost reports on or before March 31, 2022, the first admin fee would be due June 15, 2022
 - ▶ If providers submit on or before March 31, 2022, the latest the interim supplemental payment can be made will be 9/30/22 instead of 12/31/21
 - ▶ Interim supplemental payments are made on a first submitted basis

Questions



Website

- ▶ <https://dhss.alaska.gov/Commissioner/Pages/RateReview/SEMT/default.aspx>
 - ▶ Cost Report
 - ▶ Cost Report Instructions
 - ▶ Provider Participation Agreement
 - ▶ FAQ
 - ▶ Reconciliation Example Template
 - ▶ SEMT Program Authority
 - ▶ House Bill 176
 - ▶ Regulations 7 AAC 145.750-799

ORR CONTACTS

- ▶ ORR SEMT Email
 - ▶ AKSEMT@alaska.gov
- ▶ Sheavon Brunelle SEMT Coordinator/Auditor
 - ▶ Sheavon.Brunelle@alaska.gov
- ▶ Katherine McDonald Auditor
 - ▶ Katherine.McDonald@alaska.gov
- ▶ Trena Rairdon Audit Supervisor
 - ▶ Trena.Rairdon@alaska.gov
- ▶ Marcey Bish Executive Director
 - ▶ Marcey.Bish@alaska.gov