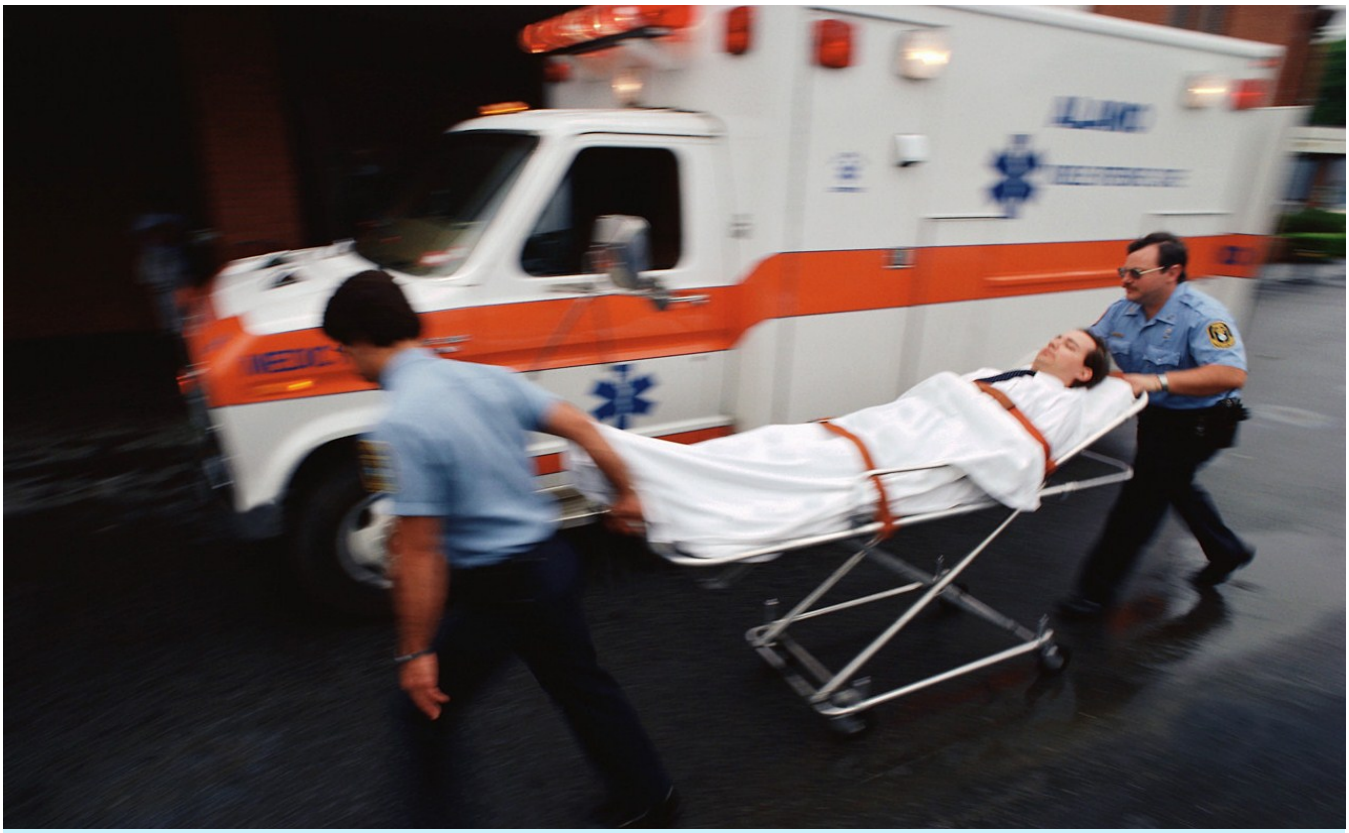
IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201316 JUNE 4, 2013



Supplemental payment adjustment to be made for qualified ambulance services

The Office of Medicaid Policy and Planning (OMPP) recently received approval from the Centers for Medicare & Medicaid Services (CMS) to provide a supplemental payment adjustment to in-state government-owned ambulance providers. The payment adjustment is intended to reimburse in-state government-owned ambulance providers (hospital and nonhospital) the actual incurred costs of providing ambulance services to eligible Medicaid beneficiaries. The payment adjustment is effective for eligible fee-for-service Medicaid ambulance services provided on or after January 1, 2011.

To receive the payment adjustment, eligible government-owned ambulance providers (hospital and nonhospital) must submit the documentation listed in this article to Myers and Stauffer LC (MSLC). All documentation must be submitted electronically to the following email address: ambulance@mslc.com.

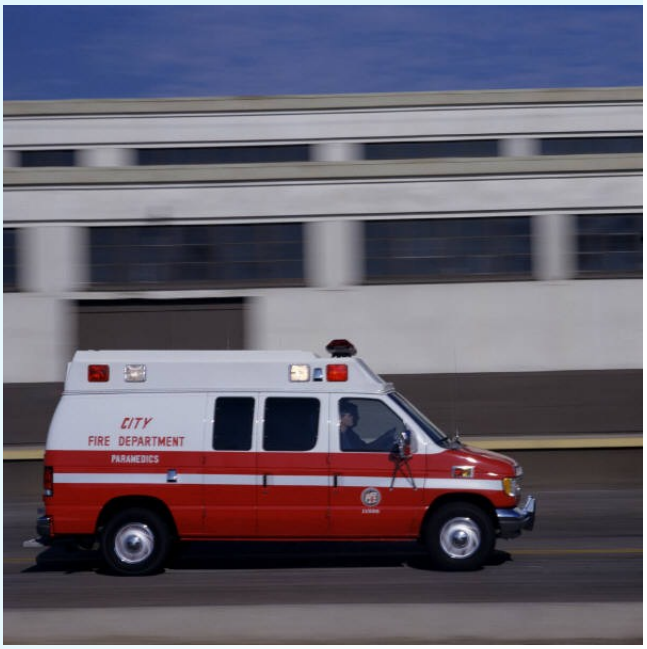
- A signed letter requesting the payment adjustment
- Cost data
  - Nonhospital government-owned ambulance providers must submit cost data using the *Indiana Medicaid Freestanding Governmental Ambulance Provider Cost Report* form. This form and the instructions can be found

on the MSLC website at in.mslc.com. Government-owned providers are required to comply with cost allocation principles found in OMB Circular A-87.

- MSLC will collect hospital government-owned ambulance providers' cost data from existing hospital cost reports (Medicaid cost report form 2252-10).

- Cost report supporting documentation – Nonhospital government-owned ambulance providers must also submit a trial balance of expenses or other accounting or financial record of the expenses reported on the cost report. If the trial balance or other accounting documentation does not tie directly to the cost report, providers must submit a reconciliation of the trial balance to the cost report. If applicable, providers must also submit an explanation of any reclassifications or adjustments of costs indicated on worksheet A of the cost report.
- Proof of government-owned status – Providers must complete the *Proof of Government Ownership* form found on the MSLC website at in.mslc.com.
- A signed payment agreement – The signed payment agreement form will be provided by MSLC with the notification of payment amount.
- Certified Public Expenditure statement – Each eligible provider must certify its costs as eligible for federal financial participation by completing and signing a Certified Public Expenditure (CPE) statement. This form will be provided by MSLC with the notification of payment amount.

Costs will be calculated using the most recent cost report on file with MSLC along with Medicaid fee-for-service ambulance claims for services incurred during the provider's fiscal year that have been adjudicated to a paid status. Generally, eligible providers must submit a completed cost report form to MSLC within five months of the end of the provider's fiscal year. Because the recent CMS approval includes payment adjustments retroactive to service dates on or after January 1, 2011, the OMPP is granting providers a one-time window for submitting cost reports for providers' fiscal years 2011 and 2012. Completed cost report data from providers' fiscal years 2011 and 2012 must be submitted no later than November 30, 2013, for consideration of the payment adjustment for these time periods. The established five-month submission requirement will apply to providers' cost reports for their 2013 fiscal year and beyond.



For each fiscal year, an initial settlement payment will be processed within 18 months of receiving an approved cost report. A final settlement payment will be processed within 24 months of receiving the approved cost report. Provider payment amounts will be based on the provider's reconciled costs for providing ambulance transportation services to Medicaid recipients, less amounts already paid to the provider for Medicaid fee-for-service ambulance transportation services.

Payments will be calculated using the four-step formula outlined below:

- Step One: Determine the amount of each provider's charges and Medicaid fee-for-service reimbursement for claims for ambulance services incurred during the provider's fiscal year and adjudicated to a paid status through the Medicaid Management Information System (MMIS).
- Step Two: Determine the amount of each provider's reconciled costs for the provider's fiscal year for providing ambulance transportation services for Medicaid eligible persons. Cost for the provider's fiscal year will be calculated by multiplying the provider's charges identified in Step One by the cost-to-charge ratio from the cost report on file with the OMPP corresponding to the fiscal year under consideration.
- Step Three: Subtract the Medicaid fee-for-service reimbursement amount determined in Step One from the cost calculated in Step Two. If Medicaid reimbursement exceeds the cost calculated in Step Two, an overpayment has been made. The OMPP will recover the overpayment in compliance with the requirements of *section 1903(d)(2)* of the *Social Security Act*.
- Step Four: If the amount calculated in Step Three is greater than zero, the provider will receive a payment equal to the amount calculated in Step Three multiplied by the Federal Medical Assistance Percentage (FMAP) rate for Indiana in effect at the time of the payment.

Questions about payment adjustments to eligible ambulance providers or the process described in this bulletin should be addressed to MSLC toll free at 1-800-877-6927 or in the Indianapolis area at (317) 846-9521.

QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

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