

Testimony before the Assembly Committee on Local Government Assembly Bill 874 Rep. Amy Loudenbeck

Good morning, Mr. Chair and members. Thank you for holding this hearing today on Assembly Bill874, relating to: emergency medical transportation services under Medical Assistance program and making an appropriation.

Emergency Medical Services (EMS) providers across Wisconsin are facing significant issues with funding and staffing, which is leading to problems with access or lack of coverage for many communities. These challenges are negatively impacting EMS providers in urban and rural areas alike. There isn't a one size fits all solution to address all of these issues, instead a multifaceted approach that helps communities of all sizes is going to be key in making sure the EMS system as a whole is viable and successful for years to come.

During the 2021-2023 biennial budget, we increased the Medicaid reimbursement rate for ambulance services and EMS providers which was necessary and long overdue. These additional dollars help, but reimbursement rates are still significantly lower than the cost of services, so providers still aren't breaking even for the cost of care and services they're providing to communities.

Other states have started using CMS approved supplemental payment programs for both private and public EMS services to pay effectively higher rates, without using additional state GPR funding. There are currently no comparable financing mechanisms for EMS providers in Wisconsin.

AB 874 would require DHS to submit a state plan amendment to allow for Wisconsin EMS providers to take part in supplemental payment opportunities for public and private EMS providers. If approved by CMS, these supplemental payments could help to alleviate some of the funding pressure on EMS service providers.

It's important to include both public and private EMS providers with these enhanced payment options because of the different service structures across Wisconsin. For example, some communities have their own EMS and ambulance services, some communities have contracts with a private service, and some communities use a combination of both.

The program for public ambulance providers is generally called GEMT or Ground Emergency Medical Transportation Supplemental Reimbursement. The State would allow the <u>option</u> for public providers (municipal, governmental) to implement a certified public expenditure (CPE) program where public EMS providers have the option to certify uncompensated costs and the state draws federal matching funds associated with those unmet costs. CPE programs are used in 48 other states and have been used in other Wisconsin programs since 2004.

The program for private ambulance services would be a self-assessment. All private (for-profit, non-profit) EMS providers would be <u>required</u> to take part in an ambulance service provider assessment program. Every dollar collected from this industry-backed self-assessment would generate \$1.50 in federal Medicaid match that would be returned to providers through the Medicaid program. Ambulance assessments are active in several states and have proven to be an effective way to ensure EMS providers have adequate funding to continue providing critical services.

Attached to my written testimony, I have included flow charts and step by step instructions with examples of both programs. It's certainly a little complicated to hear, so hopefully the additional documents will be helpful. We've also got stakeholders here today from both public and private ambulance services who will be able to speak further to the impact these programs would have.

As proposed, these two supplemental payment opportunities would help minimize typical losses when providing Medicaid covered services. Allowing Wisconsin's EMS providers to take part in these programs will be beneficial to the patients they're serving, as better funding can increase access and quality outcomes, ensuring proper care in the right place, at the right time, with the right solutions. This will also be beneficial to taxpayers, as many communities are facing increased costs related to providing critical EMS services which can cause local units of government to potentially reduce expenditures in other areas or raise property taxes. Unfortunately, due to these cost increases, there are some communities where an ambulance may not come if you call 911, and we need to take action to ensure that doesn't happen.

Thank you for your consideration and I'd be happy to answer any questions at this time.

Assembly Bill 874 Rep. Amy Loudenbeck

<u>Public Ambulance Providers Program:</u> <u>GEMT (Ground Emergency Medical Transportation) Supplemental Reimbursement</u>

The State would allow the <u>option</u> for public providers (municipal, governmental) to implement a certified public expenditure (CPE) program where public EMS providers have the <u>option</u> to certify uncompensated costs and the state draws federal matching funds associated with those unmet costs. CPE programs are used in 48 other states and have been used in other Wisconsin programs since 2004.

Step 1: Provider completes cost report for the prior period. This is typically done annually but it could be done quarterly so that the supplemental payments can be made more frequently.

During 2020, the City of Racine responded to a total of 3,350 calls for Medicaid patients.

To determine Medicaid-specific costs, it would be typical to look at total costs for the period divided by total trips to determine cost per trip. The total costs for these calls was \$2,393,548.18 or roughly \$714.49 per call. Racine received a reimbursement rate of

\$156.68 per call. At this rate, Racine currently has uncompensated costs of over \$550 per call or more than \$1.8 million annually.

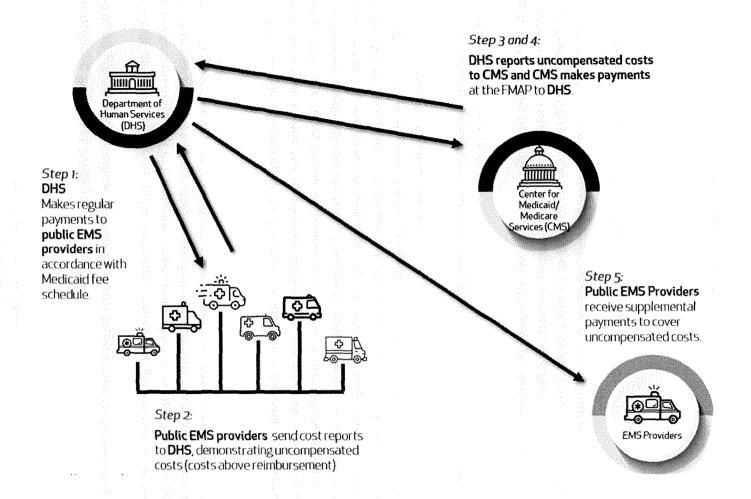
<u>Step 2:</u> Provider submits report/information to DHS. DHS may do some form of validation of the cost reports before they send to CMS.

<u>Step 3 and 4:</u> DHS submits that information to CMS. CMS pays the federal portion of the uncompensated costs at FMAP (not the administrative match of 50%) to DHS. *Using Racine's 2020 uncompensated cost of \$1,868,659.82, if the FMAP is 60%, Racine*

could be eligible to receive a supplemental payment of over \$1 million.

Step 5: DHS makes the payment to the ambulance provider.

** Flip the page for the flow chart **



Assembly Bill 874 Rep. Amy Loudenbeck

Private Ambulance Service Program: Self-Assessment Supplemental Payments

All private (for-profit, non-profit) EMS providers would be <u>required</u> to take part in an ambulance service provider assessment program. Every dollar collected from this industry-backed self-assessment would generate \$1.50 in federal Medicaid match that would be returned to providers through the Medicaid program. Ambulance assessments are active in several states and have proven to be an effective way to ensure EMS providers have adequate funding to continue providing critical services.

<u>Step 1:</u> Providers pay assessment, up to six percent of total net operating revenue, to generate the state Medicaid share. The state agency (DHS) would typically determine assessment amount on an annual basis and then send quarterly invoices to each provider.

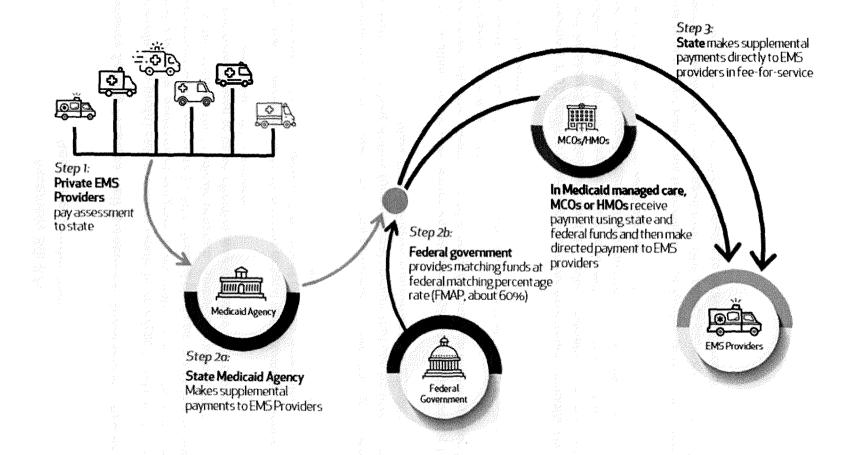
<u>Step 2:</u> The combination of the revenue from the assessment (state share generated by providers) and federal matching dollars forms a total amount that can be used to make supplemental payments to providers. DHS calculates supplemental Medicaid payment amounts based on:

- Funds available in the pool, which equals the state share generated by the assessment plus the federal matching amount based on the federal medical assistance percentage (FMAP).
- b. The portion to be paid to each provider based on their actual Medicaid volume during the quarter.

As an example, if \$13 million is raised through the assessment annually, the federal match will be about \$19 million and the total dollars available to be paid would be about \$32 million. The quarterly amount would be \$8 million. If Provider A was responsible for three percent of the Medicaid volume in the quarter, that provider would get a supplemental payment of three percent times \$8 million, or \$240,000.

<u>Step 3:</u> DHS makes enhanced payments to providers. For fee-for-service, DHS makes the payments directly to providers. For managed care, DHS makes payments to each Medicaid health plan and directs them to make the payments to individual providers.

** Flip the page for the flow chart **





STATE SENATOR • 12TH SENATE DISTRICT

AB 874 Testimony

Senator Mary Felzkowski Assembly Committee on Local Government February 2, 2022 | North Hearing Room

Chair Novak and members of the committee:

Thank you for giving me the opportunity to submit written testimony on Assembly Bill 874, which would permit the state to use CMS-approved supplemental payment programs for both private and public EMS services.

Throughout Wisconsin, in rural and urban areas alike, EMS providers are struggling to fund and staff their departments – resulting in major concerns over the future of Emergency Medical Services and the viability of our communities to ensure that 911 calls do not go unanswered.

Assembly Bill 874 will require the Department of Health Services (DHS) to submit a state plan amendment allowing Wisconsin EMS providers to take part in supplemental payment opportunities — essentially investing industry dollars to pull down a Medical Assistance (MA) match from the federal government. Those dollars will then be returned to the EMS industry, helping to alleviate some of their financial pressure.

Public EMS providers will have the option to participate by implementing a certified public expenditure (CPE) program where they can certify uncompensated costs, helping the state draw down federal matching funds associated with the unmet costs – a process that is used in 48 other states and other Wisconsin programs since 2004.

Private EMS providers will be required to take part in an ambulance service provider assessment program, helping the state draw down \$1.50 for every \$1 collected in federal matching funds. This money will then be distributed back to the private EMS service providers through the Medicaid program. Wisconsin currently uses this assessment model for hospitals and nursing homes.

Today, you are going to hear from industry experts who will discuss their plans to implement a program that would prevent private EMS service providers from receiving less funding than they pay into the program.

All in all, Assembly Bill 874 will be an industry investment. By drawing down federal dollars to help alleviate some of the financial pressure on our EMS providers, our constituents will have a greater assurance that an ambulance will show up in time, when they make that call everyone hopes will never have to be made.

I apologize that I could not be here in person today, but thank you for reading my testimony and I would be happy to discuss this bill with anyone at a later date.



131 W. Wilson St., Suite 505 Madison, Wisconsin 53703 phone (608) 267-2380; (800) 991-5502 fax: (608) 267-0645 league@lwm-info.org; www.lwm-info.org

To: Assembly Committee on Local Government

From: Curt Witynski, J.D., Deputy Director, League of Wisconsin Municipalities

Toni Herkert, Government Affairs Director, League of Wisconsin Municipalities

Date: February 2, 2022

Re: AB 874, Payment for Emergency Medical Transportation services under Medical Assistance

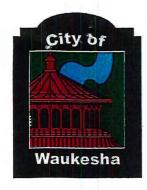
(Medicaid) program

The League of Wisconsin Municipalities supports AB 874, enabling municipalities to recover a greater amount of the cost they incur when providing ambulance services to Medicaid patients. Currently, only a portion of each Medicaid call is reimbursed by the Medicaid program, which creates significant budgeting challenges for municipal EMS departments serving a high percentage of Medicaid patients. AB 874 establishes a process involving the state and federal governments that allows local EMS systems to obtain supplemental Medicaid reimbursement payments.

Nearly 80 percent of the emergency medical services in Wisconsin are owned, operated, or supported by city, village, and town governments. Many of these municipal EMS departments serve varying percentages of Medicaid patients. This bill offers valuable help for funding a vital local government service.

The League applauds and thanks Rep. Amy Loudenbeck and Sen. Mary Felzkowski and their staff for working with a range of stakeholders to draft this legislation.

We urge the committee to recommend passage of AB 874. Thanks for considering our comments.



OFFICE OF THE MAYOR

Shawn N. Reilly, Mayor

sreilly@waukesha-wi.gov

201 DELAFIELD STREET WAUKESHA, WISCONSIN 53188-3633 TELEPHONE 262/524-3700 FAX 262/524-3899

To:

Honorable Representative Todd Novak and members of Local Government Committee

CC:

City Administrator Kevin Lahner

Fire Chief Steve Howard

From:

Mayor Shawn Reilly

Subject:

Testimony in Support of AB 874, Relating to: emergency medical transportation services under

Medical Assistance program and making an appropriation.

Date:

February 2, 2022

Chairman Novak and members of the Local Government Committee, I am Shawn Reilly, Mayor of the City of Waukesha. Thank you for the opportunity to speak on this important subject.

I am here to speak in support of AB 874, as it will provide additional revenue to communities throughout the Wisconsin and strengthen our ability to provide high quality emergency medical service to our residents and visitors. The impact of this legislation will be a substantial benefit to all municipalities. This legislation will provide the largest dollar benefit to those communities with larger populations of Medicaid dependent residents but every Wisconsin community that provides emergency medical services will benefit. Most importantly, this legislation will help relieve the burden that property taxpayers presently provide in supplementing the cost of care not covered by current Medicaid reimbursement rates.

Very briefly, I would like to describe the huge impact this bill will have on Waukesha. Using 2020 numbers, (the most recent full year of data available), the City of Waukesha Fire Department's percentage of patients with Medicaid as their insurance was 25% of all medical calls. As you are all aware, Medicaid currently only pays a fraction of the cost for service for our emergency medical calls. It cost the City of Waukesha approximately \$1900 for an Advanced Life Support call and \$1800 for a Basic Life Support call. Under the current Medicaid Fee Reimbursement Rate, the City is compensated \$346 for an Advanced Life Support call and \$291 for a Basic Life Support call. This results in uncompensated costs of \$1.8 million. These costs are covered by our tax levy.

It is my understanding that approving this legislation will not increase the State's costs. It does however allow for an increase in the reimbursement rate for all our communities. For Waukesha, that increase is estimated to be \$1.1 million per year.

There are currently more than 5.6 million people covered by Medicaid in Wisconsin, which is roughly 17% of the population.

The funding mechanism proposed in this legislation are used in nearly every state and have been used in hospitals and nursing facilities in Wisconsin since 1997.

I strongly urge you to pass AB 874. Thank you for your consideration of this important legislation.

Respectfully

Shawn n. Reilly

City of Waukesha

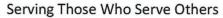
SUPPLEMENTAL PAYMENT ANNUAL ESTIMATE FOR CITY OF WAUKESHA*

Base Rate	Medicaid Transport Volume	Estimate of Cost Per Transport	Medicaid Fee Schedule Payment Per Base Rate	Total Cost for all Medicaid Transports	**Medicad Fee Schedule Payments for ALS and BLS Transports	Total Uncompensated Costs	60% of Uncompensated Cost - Supplemental Payment that City of Waukesha could receive
ALS	348	\$1,900.00	\$346	\$661,200	\$120,318	\$540,882	\$324,529
BLS	894	\$1,800.00	\$291	\$1,609,200	\$260,288	\$1,348,912	\$809,347
							\$1,133,877

^{*}Based on volume and payer mix from 1/1/20-12/31/20 dates of service to date

^{**}Based on 2022 Wisconsin Medicaid Fee Schedule

Wisconsin EMS Association





Wisconsin EMS Association

To: Representative Todd Novak, Chair

Members, Assembly Committee on Local Government

From: Alan DeYoung, Executive Director

Date: Wednesday, February 2, 2022

Re: Support for Assembly Bill 874

On behalf of the 6,000+ members and over 320 services that comprise the Wisconsin EMS Association, we are asking for your support of Assembly Bill 874, which would assist ambulance services with obtaining greater Medicaid reimbursement to close the gap on uncompensated costs for emergency medical services (EMS).

2021 Wisconsin Act 58, the biennial state budget, included much needed increases for EMS Medicaid reimbursement – and we are truly grateful of the State Legislature for that. However, even with that increase, Medicaid reimbursement for EMS continues to be less than the actual cost of providing those life-saving services. Further, municipal budgets continue to be under significant pressure and for some the ability to address EMS financial challenges is insurmountable.

The greatest challenges facing local EMS today are staffing and financing. Wisconsin EMS is financed through local municipal budgets and service call charges that are paid for by individual payment or reimbursement from private insurance, Medicare or Medicaid.

EMS services are predominantly, nearly 80 percent, provided or contracted for by municipal governments (towns, villages, cities and some counties). In addition, nearly 80% of EMS is volunteer based, meaning these services rely upon volunteer EMTs to staff an ambulance 24-hours \ 7-days a week.

When someone dials 911, there is an expectation that life-saving services will arrive. The ability for EMS to respond in many areas of the state has become a challenge – and, in some cases nonexistent. Various strategies are needed. Assembly Bill 874 represents one piece of that bigger solution puzzle.

The Medicaid methodologies being employed in AB-874 rely upon mechanisms to recognize municipal investments in public EMS or assessments of private EMS services – both of which the State will be able to use to access additional federal Medicaid matching dollars. The intent of this legislation is to maximize the ability of the State and EMS to get closer to reimbursing the actual costs for EMS care and services.

If you have any questions, please feel free to contact myself or our lobbyist, Forbes McIntosh.

Thank you.

TO: Wisconsin Assembly Committee on Local Government

RE: Assembly Bill 874

I am Weenonah Brattset, and I am a Supervisor on the Town of Palmyra, WI Town Board. We are located in Jefferson County. The Town of Palmyra receives Emergency Medical Services from the Public Safety Department of the Village of Palmyra, WI.

Our provider, as well as other EMS departments and districts across Wisconsin, do their level best to provide excellent service at the lowest possible cost. Their costs are the bare bones costs of providing that service. Our Emergency Service providers are not for-profit businesses!

The base rate for an ambulance to respond to an emergency in the area served by the Palmyra Public Safety Department is \$750 and they charge \$22 per mile for Transport. At this rate, the average ambulance response and transport cost is \$1168. Medicaid re-imburses \$151.84 for response plus \$5.56 per mile, leaving a 65% deficit per Medicaid call.

The disparity between the cost of service to Medicaid recipients and the amount reimbursed by Medicaid is crippling to local government. We are required to provide the service, but not allowed to raise our levy without passing a referendum. Although we can create special assessments for Fire protection, we are prevented from doing this for the most life-saving services—those provided by our EMS departments.

In short, you, our Wisconsin State elected officials, order us to set a table for 100, but allow us food for only 35.

We desperately need you to pass AB 874.

Regards,

Weenonah Brattset,
Supervisor 1, Town of Palmyra, WI Board of Supervisors
N2437 Brattset Lane, Jefferson, WI 53549
harold043@centurytel.net
262-593-8051

CenturyLink Webmail

harold043@centurytel.net

Fwd:

From: harold043@centurytel.net

Wed, Feb 02, 2022 08:26 AM

Subject: Fwd:

To: harold043@centurytel.net

From: "James Small" < jsmall@villageofpalmyra.com>

To: harold043@centurytel.net

Sent: Tuesday, February 1, 2022 10:10:24 AM

Subject: Fw: RE:

Hi Weenonah,

Overall, we are collecting approximately \$60,000/yr in ambulance billing. This has some variance and some years are better that others. In order to collect that amount we are generally billing \$120K to \$140K to end up collecting \$55k to \$65K.

I just pulled up a document from 2020 from Lifequest with some fees on it:

Our base rate is \$750 plus we charge \$22 miles for the transport. This is one way with a patient. We have not increased this fee in several years because it is not normally collectible at this rate. Under this rate a BLS1 transport to Aurora Summit is billed at around \$1168.

Medicare is reimbursing us \$368.65 plus \$11.54/mile. Transport to Aurora is \$587.91

Medicaid is reimbursing us \$151.84 plus \$5.56/mile. Transport to Aurora is \$257.48

Since the majority of our calls are for medicare/medicaid patients we are writing down somewhere in the \$60k to \$80K annually on these calls. The uncollected difference is being made up dollar for dollar by the local taxpayer.

To put this in perspective, \$80K is around the price of one Fulltime position.

It would certainly be helpful to the community if there was an increase in reimbursements for services provided.

Thank you again for your work on this issue in Madison,

James Small, MJA, Fire Officer II, Paramedic Public Safety Director/Police and Fire Chief Village of Palmyra 126 N 1st Street Palmyra, WI 53156



February 1, 2022

Dear Wisconsin State Legislators,

On behalf of Mayo Clinic Health System, we encourage you to support Senate Bill 826 and Assembly Bill 874. These bills will increase access to emergency services throughout the State of Wisconsin—especially in critically underserved rural areas. Specifically, these bills improve access to care and strengthen first responder job training, wages and security by providing access to federal Medicaid funds to ambulance providers across the state.

Mayo Clinic Health System (MCHS) is a family of more than 15 clinics, hospitals and health care facilities serving communities in western Wisconsin. Locations include Arcadia, Barron, Bloomer, Chetek, Chippewa Falls, Holmen, Menomonie, Mondovi, Onalaska, Osseo, Prairie du Chien, Rice Lake, Sparta, and Tomah. Patients receive quality health care at their local clinic or hospital and, when needed, are referred for highly specialized care in Eau Claire, La Crosse or Rochester, Minnesota.

Mayo Clinic Ambulance provides paramedic-level advanced life support emergency ambulance support to all or portions of Barron, Douglas, Jackson and Trempealeau Counties as well as this same level of care for interfacility transportation of patients throughout western Wisconsin.

As structured, these bills will not pass any costs on to the State of Wisconsin and will not result in higher costs to patients served. Ambulance services like ours, are bearing the costs of the program and need your help to authorize access to these federal programs.

Passage of Senate Bill 826 and Assembly Bill 874 will provide Mayo Clinic Ambulance along with many others through the state the needed federal funding stream to build and strengthen the much-needed emergency transportation in the crucial areas that we serve.

Thank you for your attention.

Sincerely,

Thomas Fennell Regulatory Officer Mayo Clinic Ambulance



February 2, 2022

While our organizations say "Fire Department" for those that provide Emergency Medical Services (EMS), EMS is the majority of our calls. EMS accounts for likely between 70-90% of a fire department calls for services and EMS demand is growing. Last year, 2021, our agency answered 6,700 calls which was a highwater mark surpassing the previous high of 5,500 in 2020. A 22% increase in one year due to EMS.

Emergency Medical Services have been struggling for quite some time, but we have maneuvered through low reimbursements, increasing call volumes, increasing costs, a pandemic and recruitment/retention issues. We continue to provide our important services, but we need assistance.

Medicaid reimbursements to EMS went unchanged from 2008 until 2021. In 2021 Medicaid rates were minutely adjusted. The Legislature did approve an increase to Medicaid rates beginning in 2022 that brought Medicaid payments to 80% of Medicare payments. We appreciate these efforts, but they simply are not enough. Current Medicaid reimbursements are a band aid to a gaping, hemorrhaging EMS wound.

Here are some simple breakdowns on why EMS finances are struggling:

- For a call coded as a "basic" emergency the average reimbursement are as follows:
 - o Medicare pays on average under \$400
 - o And Medicaid pays about \$300.
 - o But the true all-in itemized cost of this transport is nearly \$1,500.
- For a call coded as an "advanced" emergency the average reimbursements are as follows:
 - o Medicare pays about \$450
 - o And Medicaid pays about \$350.
 - O But the true all-in itemized cost of this transport is over \$1,500 to \$2,000.

Additionally, EMS demands are up which are straining our budgets. Last year we overspent on disposable medical supplies. Disposable supplies were budgeted at \$70,000 and we spent nearly \$110,000. This does not include expensive durable supplies as a single defibrillator can cost \$35,000 and ambulance stretchers systems over \$50,000.

We have locally estimated that AB874 will create \$350,000 in additional Medicaid reimbursements to Greenfield. We need this to not grow our agency but sustain the important medical services we currently provide. EMS is struggling. There is no magic pill but AB874 will assist in improving Medicaid reimbursements that will help stabilize finances and the medical services we provide to our communities.

Medicaid match programs like AB874 are currently utilized in Wisconsin to provide adequate reimbursements to dentist, nursing homes and hospitals. We are asking that EMS be treated similarly as we are health care providers also.

Please support AB874, support fire departments, support EMS agencies and support your constituents in ensuring that Wisconsin can continue to provide strong Emergency Medical Services throughout our communities.

Respectfully,

Jon Cohn, Fire Chief



February 2, 2022

Representative Todd Novak, Chair Room 310 North State Capitol PO Box 8953 Madison WI 53708

Representative Rick Gundrum, Vice Chair Room 312 North State Capitol PO Box 8952 Madison WI 53708

Re: Support for Assembly Bill 874

Dear Chair Novak, Vice-Chair Gundrum, and members of the Assembly Committee on Local Government:

On behalf of Gundersen Health System, I am writing to share our support for Assembly Bill 874. Gundersen Health System operates two non-profit ambulance organizations which provide 911 and interfacility response for numerous communities in Western and Southwestern Wisconsin. As you are aware, the EMS profession in Wisconsin is experiencing extreme hardship. Challenges such as staff recruitment and retention, high operating costs, decreasing reimbursement, and steadily increasing response numbers have been worsened by the COVID-19 pandemic. Similar to our peers across the state, Gundersen Health System ambulance services are no exception to these challenges.

While our organizations and the EMS industry in general continue to work through these obstacles, the issue of inadequate reimbursement for our vital services continues to be a common denominator. As an example, our mostly rural ambulance service has suffered a financial operating deficit each year since 2016. We know first-hand from our colleagues and partner ambulance agencies that such deficits are increasingly more common in Wisconsin as reimbursement for services has been significantly outpaced by operating costs. We appreciate the Medicaid increase passed in the 2021-22 biennial budget as this will reduce our deficit slightly, but more needs to be done.

Please support Assembly Bill 874, which will help ensure sustainability for Wisconsin ambulance services and prevent a reduction in emergency medical services for Wisconsin residents. If passed, the federal monies which will be allotted to our ambulance services will go

directly into ensuring high quality and responsive ambulance services to the numerous communities we serve.

Sincerely,

Tom Tornstrom

Executive Director, Ambulance Services, Gundersen Health System