February 11, 2015

Honorable Senator Pam Roach

Newhouse Building

215 Sid Snyder Avenue SW

Olympia, WA 98501

Dear Senator Roach;

The East Pierce Fire & Rescue Board of Fire Commissioners respectfully requests your support for Senate Bill 5840, the “Ground Emergency Medical Transport (GEMT)” bill. SB 5840 creates a mechanism to increase federal reimbursements for Medicaid patients transported to the hospital by fire departments and third-service public EMS agencies *without any increased cost to the state*.

Washington’s emergency medical service (EMS) systems are recognized as among the best in the world. The treatment and transportation of all patients to designated hospitals, regardless of their ability to pay, is a key component of our public health safety net. However, base Medicaid reimbursement rates of between $115 and $168 (based upon the severity of a patient’s illness or injury) are far below the cost of providing these services.

In 2007, the Federal Government Accounting Office (GAO) estimated that the actual cost of providing EMS transport varied nationally between $415 and $1,215 per patient transport. In the intervening years, operating costs for EMS agencies (including ambulances, equipment and supplies, fuel, and personnel costs) have dramatically increased, widening the gap between Medicaid reimbursement rates and actual costs. With up to 25% of patients transported by ambulance on Medicaid, the ability of EMS agencies to absorb these costs and still provide high-quality care and transport for patients is significantly impacted. As healthcare changes increase the number Medicaid patients in the system, the reimbursement problem will continue to escalate.

SB 5840 provides enabling legislation to create a State Plan Amendment (SPA), allowing Washington’s public ambulance providers to participate in the currently authorized Certified Public Expenditure (CPE) program used by the state’s public hospitals to increase federal reimbursement for Medicaid patients.

This CPE will be utilized to obtain increased federal Medicaid funding for supplemental reimbursement to participating fire department and public EMS agencies transporting Medicaid patients. Based upon the number of patients and formulas used to calculate EMS agency costs, this program could provide up to $100 million per year in new funding to public Washington State EMS agencies.

There will be no increased cost to the state’s General Fund, the state or the Apple Health program. SB 5840 will not adversely impact funding of hospitals, Apple Health (Medicaid) Managed Care or HMO providers.

Further, the legislation creates an inter-governmental transfer (IGT) mechanism, which will be approved by the Center for Medicare & Medicaid Services, authorizing implantation of a State Administrative Fee. This fee, not to exceed 20% of the total federal Medicaid funding supplement, could net the state up to $20 million in new revenues.

Thank you for considering our request. We hope you will support SB 5840.

Sincerely,

Dale Mitchell,

Chair, Board of Fire Commissioners

East Pierce Fire & Rescue