

GROUND EMERGENCY MEDICAL TRANSPORTATION SERVICES COST REPORT GENERAL INSTRUCTIONS FOR COMPLETING COST REPORT FORMS

A) GENERAL

To participate in the reimbursement program authorized by State Plan Amendment (SPA) 09-024, each publicly owned or operated Ground Emergency Medical Transportation (GEMT) provider must submit the Centers for Medicare and Medicaid (CMS) approved cost report to the California Department of Health Care Services (Department) no later than five (5) months after the last day of the California state fiscal year (July 1 through June 30).

Each GEMT provider shall maintain fiscal and statistical records for the service period covered by the Cost Report. All records must be accurate and sufficiently detailed to substantiate the cost report data. Each GEMT provider shall maintain fiscal and statistical records for the service period covered by the Cost Report. All records must be accurate and sufficiently detailed to substantiate the cost report data. Retain all necessary records for a minimum of three (3) years after the end of the quarter in which the provider submitted its cost reports to DHCS. If an audit is in progress, all records relevant to the audit shall be retained until the completion of the audit or the final resolution of all audit exceptions, deferrals, and/or disallowances.

DEFINITIONS

GEMT Transport means Ground Emergency Medical Transportation Services as defined in the State Plan Amendment (SPA) 09-024 Paragraph A.7, provided by eligible GEMT providers to individuals, including dry runs as defined in SPA 09-024 Paragraph A.5.

Medical Transportation Service (MTS) means transportation to secure medical examinations and treatment for an individual. This umbrella term encompasses both GEMT transports and non-emergency transports that have met the requirements as listed under Item 24(a) of Limitations on Attachment 3.1-A and Item 23(a) of Limitations on Attachment 3.1-B.

Shift means a standard period of time assigned for a complete cycle of work, as set by each eligible GEMT provider. The number of hours in a shift may vary by GEMT provider, but will be consistent to each GEMT provider.

Dry Run means ground emergency medical transportation services (basic, limited-advanced, and advanced life support services as defined in SPA 09-024 Paragraph A.7) provided by an eligible GEMT provider to an individual who is released on the scene without transportation by ambulance to a medical facility.

GEMT Services means both the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the patient, as well as the advanced, limited-advanced and basic life support services provided to an individual by GEMT providers before or during the act of transportation. Additionally, GEMT services include dry runs as defined in SPA 09-024 Paragraph A.5.

Service Period means July 1 through June 30 of each California state fiscal year.

Eligible GEMT Provider means a provider who is eligible to receive supplemental payments under this Supplement because it meets the following requirements continuously during the claiming period:

- a. Provides GEMT services to Medi-Cal beneficiaries.
- b. It is a provider that is enrolled as a Medi-Cal provider for the period being claimed.
- c. Is owned or operated by an eligible governmental entity, to include the state, a city, county, city and county, fire protection district organized pursuant to Part 2.7 (commencing with Section 13800) of

Division 12 of the Health and Safety Code, special district organized pursuant to Chapter 1 (commencing with Section 58000) of Division 1 of Title 6 of the Government Code, community services district organized pursuant to Part 1 (commencing with Section 61000) of Division 3 of Title 6 of the Government Code, health care district organized pursuant to Chapter 1 (commencing with Section 32000) of Division 23 of the Health and Safety Code, or a federally recognized Indian tribe as these laws are in effect on January 30, 2010.

B) REPORTING REQUIREMENTS

All costs reported shall be in accordance with the following:

- 1) SPA 09-024, supplemental reimbursement under this program is available only for allowable costs incurred for providing GEMT services to eligible Medi-Cal beneficiaries that are in excess of the payments the eligible GEMT provider receives per transport from any source of reimbursement.
 - a) The allowable costs must be determined in accordance with the methodology specified under SPA 09-024.
 - b) Copy of SPA 09-024 can be found online at <http://www.dhcs.ca.gov/formsandpubs/laws/Pages/StatePlanAmendment09-024.aspx>.
- 2) Medicare cost reimbursement principles in 42 Code of Federal Regulations (CFR), Part 413 and Section 1861 of the Federal Social Security Act (42 USC, Section 1395x).

42 CFR and the governing statute in the Federal Social Security Act outlines the manner in which allowable costs are considered reasonable, necessary, and related to beneficiary health care.

- 3) These cost principles are reiterated in the Centers for Medicare and Medicaid Services, Provider Reimbursement Manual 15-1 (CMS Pub. 15-1).

This manual is online at <http://www.cms.hhs.gov/manuals> (CMS website). Upon entering the site, select Publication 15-1 and the relevant cost reimbursement chapters will be displayed. Within each chapter, the section numbers may appear out of sequence. Select the file containing the reference "TOC" to display the table of contents of the relevant sections within the chapter.

- 4) All items of data and costs reported are subject to review by the Department pursuant to Welfare & Institutions Code, Section 14105.94.

The text of this section is online at <http://leginfo.legislature.ca.gov> under the tab entitled "California Law." Such audits will be conducted to determine the extent that reported costs complies with the cost principles outlined in CMS Pub. 15-1. Reported costs that do not comply with these provisions will be adjusted accordingly.

- 5) Allowable costs are those that are generally considered eligible for federal reimbursement based on the cost principles established in OMB Circular A-87. A cost is unallowable for federal reimbursement based on established federal cost principles. For a complete listing of federal allowable and unallowable costs, please refer to: OMB Circular A-87 – http://www.whitehouse.gov/omb/circulars_a087_2004/.
- 6) Allowable costs are those that are in compliance with CMS non-institutional reimbursement policy. See SPA 09-024.

C) LAWS AND REGULATIONS AT A GLANCE

Federal and State Regulations – GEMT Cost Reporting Requirements:

- Welfare & Institutions Code Section 14105.94 – Department authority to administer and audit program.

- California Code of Regulations (CCR), Title 22 Division 3, Chapter 5, Section 54413 – Maintain financial records on accrual basis.
- CCR, Title 22 Division 3, Chapter 5, Section 54447 – Sanctions applied if the Cost Report is not received and report has not filed.
- 42 CFR, Part 413 – Principles of reasonable cost.
- Office of Management and Budget (OMB) Circular A-87 – General Principles for Determining Allowable Costs.

D) ADDITIONAL CRITERIA FOR COST REPORTING

- 1) Only costs for services provided to Medi-Cal beneficiaries on or after January 30, 2010, are eligible for supplemental reimbursement.
- 2) Only Medi-Cal Fee-For-Service (FFS) GEMT services provided by eligible GEMT providers are eligible for supplemental reimbursement under this Supplement.
- 3) For services rendered to patients who are under the Medi-Cal Managed Care plan or have coverage under both Medicare and Medi-Cal programs ("dually eligible patients") are not eligible for reimbursement under this Supplement.
- 4) Administrative costs incurred for reimbursing the Department’s administration costs must be excluded from this cost report.
- 5) The only administrative costs incurred for billing and/or accounting services that are eligible for reimbursement are those in compliance with the federal and state regulations as defined in GEMT Policy and Procedure Letters (PPL) 13-001, 14-001, and 14-002.

E) COST REPORT SECTIONS AT A GLANCE

General Information and Certification	Certifies the GEMT Claim Packet
Schedule 1	Schedule of Total Expense
Schedule 2	Medical Transportation Services (MTS) Expense
Schedule 3	Non-Medical Transportation Services Expense
Schedule 4	Allocation of Capital Related and Salaries & Benefits
Schedule 5	Allocation of Administrative and General
Schedule 6	Reclassifications
Schedule 7	Adjustments
Schedule 8	Revenues
Schedule 9	Final Settlement
Schedule 10	Notes

GENERAL INFORMATION AND CERTIFICATION

Complete items 1-27. The individual signing the certification statement must be an Officer or Administrator. The Cost Report must be legibly completed and the original signed in **blue ink**. Cost reports received that are not clear, legible, or have been altered, or are incomplete, and/or not signed will be rejected and returned with instructions noting the deficiencies in need of correction. Cost reports that are not accepted by the required filing deadline due to improper completion shall be rejected and the Department may subject the providers to the sanction provisions noted under “Filing Deadline.”

SCHEDULE 1 – TOTAL EXPENSE

This worksheet should reflect all costs incurred by the GEMT provider. No input necessary on this Schedule. All numbers will flow from other Schedules.

SCHEDULE 2 – MEDICAL TRANSPORTATION SERVICES (MTS) EXPENSE

Enter total unallocated direct expenses incurred from providing 100% MTS during each shift. Do not enter expenses for multiple activities (i.e. “shared” services) as 100% MTS. These expenses must be allocated on Schedule 4. For example, for staff that responds to both MTS transports and NON-MTS transports activities (i.e. firefighters) salary and fringe benefit expenses for that staff must be reported in Schedule 4 as allocated costs.

- Column 1: Enter all costs that are 100% associated with MTS. Any costs that are not 100% MTS or considered a “shared” cost will be input on other Schedules.
- Column 2: No input necessary. Information will flow from Schedule 4.
- Column 3: No input necessary. Information will flow from Schedule 6.
- Column 4: No input necessary. Information will flow from Schedule 7.
- Column 5: No input necessary. Information will auto-calculate.

SCHEDULE 3 - NON-MEDICAL TRANSPORTATION SERVICES (NON-MTS) EXPENSE

Enter total expenses applicable to 100% Non-Medical Transportation services.

- Column 1: Enter all costs that are 100% associated with NON-MTS.
- Column 2: No input necessary. Information will flow from Schedule 4.
- Column 3: No input necessary. Information will flow from Schedule 6.
- Column 4: No input necessary. Information will flow from Schedule 7.
- Column 5: No input necessary. Information will auto-calculate.

SCHEDULE 4 - ALLOCATION OF CAPITAL RELATED AND SALARIES & BENEFITS

Enter total shared expenses that will be apportioned between MTS and NON-MTS services.

- Column 1: Enter all Capital Related and Salaries and Benefit costs that are not directly assigned to MTS and NON-MTS services.
- Column 2: No input necessary. Information will flow from Schedule 6.
- Column 3: No input necessary. Information will flow from Schedule 7.
- Columns 4 thru 6: No input necessary. Information will auto-calculate.

At the bottom on Schedule 4, identify in the yellow highlighted boxes, the appropriate hours spent that pertain to MTS services and NON-MTS services.

SCHEDULE 5 – ALLOCATION OF ADMINISTRATIVE AND GENERAL

Enter total shared expenses for Administrative and General.

- Column 1: Enter all Administrative and General (A&G) costs that are not directly assigned to MTS and NON-MTS services.
- Column 2: No input necessary. Information will flow from Schedule 6.
- Column 3: No input necessary. Information will flow from Schedule 7.
- Columns 4 thru 6: No input necessary. Information will auto-calculate.

SCHEDULE 6 - RECLASSIFICATIONS

A reclassification of expense is an entry that transfers costs from one cost center and/or schedule to another. Reclassification will be necessary when an expense has been improperly classified.

An explanation must be included for each reclassification in the column labeled "Explanation of Entry."

- Column 1: Enter sequential lettering system to identify individual reclassifications; i.e. A. B. C...
- Column 2: Enter Cost Center this is increasing.
- Column 3: Enter Line Number of schedule this increase pertains to.
- Column 4: Enter Schedule Number this increase pertains to.
- Column 5: Enter the Amount of increase.
- Column 6: Enter Cost Center this is decreasing.
- Column 7: Enter Line Number of schedule this decrease pertains to.
- Column 8: Enter Schedule Number this decrease pertains to.
- Column 9: Enter the Amount of decrease.

The increased total **must equal** the decreased total at the bottom of this schedule.

SCHEDULE 7 – ADJUSTMENTS

An adjustment is an entry to adjust expenses. For example, the cost of fundraising activities is not a reimbursable expense under the CMS Pub. 15-1 and OMB Circular A-87. Therefore, remove any costs associated with fundraising, which are included in your general ledger expenses, through an adjustment in Schedule 7.

SCHEDULE 8 – REVENUES / FUNDING SOURCES**AREA A**

- Column 1: Enter Medi-Cal FFS Revenue type.
- Columns 2 thru5: Enter dollar amount for revenue received.
- Column 6: No input necessary. Information will auto-calculate.

AREA B

- Column 1: Enter Other Medi-Cal FFS Revenue type.
- Columns 2 thru5: Enter dollar amount for revenue received.
- Column 6: No input necessary. Information will auto-calculate.

AREA C

Report revenues for MTS and NON-MTS by type

- Column 1: Report all revenue (i.e. Medi-Cal payments, Tax Revenue, Grants, etc.) received and list the funding source.
- Column 2: Enter revenue amount if it's MTS specific.
- Column 3: Enter revenue amount if it's NON-MTS specific.
- Column 4: No input necessary. Information will auto calculate.

SCHEDULE 9 – FINAL SETTLEMENT

- Row 1: No input necessary; Cost of MTS will populate from Schedule 2.
- Row 2: Indicate if the Indirect Cost Factor was based on MTS. Use the drop down box.
- Row 3: If the answer for Row 2 above was NO, enter the base costs for calculating the Indirect Cost.

- Row 4: Enter the Indirect Cost Factor. In most cases, when an Indirect Cost Factor is being applied, there should be no A&G cost allocated.
- Row 5: No input necessary; A&G Allocation will populate from Schedule 5 (A).
- Row 6: No input necessary; A&G totals to be included will populate.
- Row 7: No input necessary; Grand Total of MTS Expense will populate.
- Row 8: Enter the total number of MTS for the reporting period, by quarter where applicable.
- Row 9: No input necessary; an average cost per medical transport will be determined by dividing Grand Total of MTS Expense to the Total Number of medical transports.
- Row 10: No input necessary; FFS transports will populate for the corresponding quarter from Schedule 9, Line 8.
- Row 11: No input necessary; Total costs of Medi-Cal ground emergency medical transports will populate.
- Row 12: No input necessary; Medi-Cal FFS revenue will populate for the corresponding quarters from Schedule 8, Lines 1-6. Note: The amount will be a negative value.
- Row 13: No input necessary; Net cost of services for the corresponding quarter will populate.
- Row 14: No input necessary; Federal Financial Participation reduction will populate for the corresponding quarter.
- Row 15: No input necessary; Net amount due to the provider will populate based on the FMAP rate.

SCHEDULE 10- NOTES

Identify any contracting arrangements for expenditures reported on Schedules 1-5, the statistical basis for allocation on Schedules 4 and 5, and reasons for any schedules left blank.

F) FILING DEADLINE

Cost reports are due no later than five (5) months after the last day of the State Fiscal Year. A request for an extension shall only be approved when a GEMT provider's operations are significantly and/or adversely affected due to extraordinary circumstances, which the provider has no control, such as, flood or fire. The written request must include a detailed explanation of the circumstances supporting the need for additional time and be postmarked within the five (5) months after the last day of the applicable State Fiscal Year. Filing extensions may be granted by the Department for good cause, but such extensions are made at the discretion of the Department.

NOTE: An approved Provider Participation Agreement must be on file with DHCS in order to file Annual Cost Reports electronically. If you do not have an approved Provider Participation Agreement on file with DHCS, please visit our website at: <http://www.dhcs.ca.gov/provgovpart/Pages/GEMT.aspx>.

ELECTRONIC SUBMISSION OF ANNUAL COST REPORTS – email the signed Adobe PDF™ version, the Excel™ version, and any supporting documentation when using an Indirect Cost Factor on Schedule 9 to: GEMTSubmissions@dhcs.ca.gov.

Once the Cost Report has been reviewed and accepted the provider must maintain a copy of the signed and electronic version of the cost report and all supporting documentation. Pursuant to the timeframes outlined in SPA 09-024, DHCS will contact providers individually to schedule audits.