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Department of Health Care Services



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GOVERNOR

GEMT PPL 14-002

DATE: December 18, 2014

TO: GROUND EMERGENCY MEDICAL TRANSPORTATION (GEMT) FEE-FOR-SERVICE (FFS) SUPPLEMENTAL REIMBURSEMENT PROGRAM - PUBLIC PARTICIPANTS

SUBJECT: GEMT PROGRAM ELIGIBILITY FOR PUBLIC PROVIDERS THAT CONTRACT FOR THE PROVISION OF GEMT SERVICES WITH OTHER PUBLIC PROVIDERS

The purpose of this Policy and Procedure Letter (PPL) is to provide guidance to eligible providers participating in the GEMT FFS supplemental reimbursement program that contract with other public entities for the provision of GEMT services.¹

This PPL applies PPL 13-001, dated September 30, 2013, to situations where an eligible provider contracts with another public entity to provide GEMT services, billing services, or both. This PPL also clarifies, interprets, and makes specific:

- The prohibition against the certified amount exceeding one hundred percent of the actual costs for GEMT services determined pursuant to the Medi-Cal State Plan as required pursuant to Welfare and Institutions Code section 14105.94, subdivision (c), paragraph (2).
- Eligible providers shall only claim supplemental reimbursement based on its costs where the nonfederal share is funded from the governmental entities that own or operate the eligible provider pursuant to Welfare and Institutions Code section 14105.94, subdivision (d), paragraph (2).

¹ This Policy and Procedure Letter is published under the authority specified in Welfare and Institutions Code section 14105.94, subdivision (h), which provides:

Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement and administer this section by means of provider bulletins, or similar instructions, without taking regulatory action.

This Policy and Procedure Letter governs should there be a conflict between this Policy and Procedure Letter and any previous Department published Policy and Procedure Letters or regulations relating to Welfare and Institutions Code section 14105.94.

Certified Amount Pursuant to the Medi-Cal State Plan

Welfare and Institutions Code section 14105.94, subdivision (c), paragraph (2), requires that the certifiable amount used to claim GEMT supplemental reimbursement be determined in the Medi-Cal State Plan. This PPL identifies Supplement 18 to Attachment 4.19-B of the Medi-Cal State Plan as the segment that determines how the claimable amount shall not exceed one hundred percent of the actual costs incurred by the eligible provider. This supplement can be found at the following URL: <http://www.dhcs.ca.gov/formsandpubs/laws/Pages/StatePlanAmendment09-024.aspx>.

The Medi-Cal State Plan, as authorized by Welfare and Institutions Code section 14105.94, subdivision (c), paragraph (2), and implemented by PPL, requires that the amount certified for claiming supplemental reimbursement in the GEMT supplemental reimbursement program shall be limited to costs reported in the eligible provider's cost report. This precludes the eligible provider from reporting the costs incurred by other public entities contracting with the eligible provider.

Source of Certified Public Expenditures

Welfare and Institutions Code section 14105.94, subdivision (d), paragraph (2), requires that the nonfederal share of the claimable amount certified for supplemental reimbursement for the eligible provider shall only be funded by the governmental entity that owns or operates the eligible provider.

The governmental entities described in Section 14105.94, subdivision (b), paragraph (3), are the governmental entities that may own or operate an eligible provider. This PPL interprets, implements, and makes specific this requirement by clarifying that the only costs that may be used to claim supplemental reimbursement are those costs where the nonfederal share of the claim is funded by the governmental entity that owns or operates the eligible provider, which then may be certified pursuant to the requirements in Section 14015.94, subdivision (e).

Eligible Contracting Arrangements

- 1) An eligible provider contracts with another public entity for the other public entity to provide GEMT services on the eligible provider's behalf. The eligible provider directly bills the Department of Health Care Services (DHCS) for these GEMT services using its own National Provider Identification (NPI) number. The eligible provider claims supplemental reimbursement only for those costs it incurs paying for GEMT services provided by its public entity contractor.

- 2) An eligible provider contracts for the provision of GEMT services with another public entity, and the eligible provider also contracts its billing activities to a billing agent that bills DHCS on the eligible provider's behalf using the eligible provider's NPI number.

Arrangements 1) and 2) satisfy the "owns or operates" requirement as defined in Welfare and Institutions Code section 14105.94, subdivision (b), paragraph (3), as interpreted, implemented, and made specific by this PPL.

In addition, pursuant to Welfare and Institutions Code section 14105.94, subdivision (c), paragraph (2), and subdivision (d), paragraph (2), as interpreted, implemented, and made specific by this PPL, costs eligible for reimbursement under these scenarios would be the eligible provider's contract costs attributed to providing GEMT services only to Medi-Cal beneficiaries, and the provider's overhead costs (including billing agent fees) allocated to the Medi-Cal GEMT services program, as allowed by Supplement 18 of Attachment 4.19-B of the Medi-Cal State Plan. The eligible provider may not claim supplemental reimbursement for any costs incurred by the contractor, the contracted billing agent, or both.

Ineligible Contracting Arrangements

- 3) An eligible provider contracts for the provision of GEMT services as well as its billing activities to another public entity, and the billing agent directly bills DHCS for the contractor's GEMT services rendered without using the eligible provider's NPI number.
- 4) An eligible provider contracts for the provision of GEMT services as well as its billing activities to another public entity, and allows this contractor or its billing agent to use the eligible provider's NPI number to bill DHCS.

Arrangements 3) and 4) do not satisfy the "owns or operates" requirement as defined in Welfare and Institutions Code section 14105.94, subdivision (b), paragraph (3), nor the requirements in Section 14105.94, subdivision (c), paragraph (2), and subdivision (d), paragraph (2).

Joint Powers Authorities that are Eligible Providers

If an eligible provider is a governmental entity created as a joint powers authority, then that eligible provider will need to provide details of its contracting arrangements to

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GEMT@dhcs.ca.gov for determining whether the contracting arrangements satisfy the requirements addressed in this PPL.

For guidance specific to your situation, please contact us to discuss your unique contracting arrangements at GEMT@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY STACY FOX

Stacy Fox, Assistant Division Chief
Safety Net Financing Division