



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5695 (Substitute H-2 as discharged)
Sponsor: Representative Mike McFall
House Committee: Local Government and Municipal Finance
Senate Committee: Government Operations (discharged)

CONTENT

The bill would amend the Social Welfare Act to do the following:

- Require the Department of Health and Human Services (DHHS) to amend the State's Medicaid State plan to establish a program that provided supplemental reimbursement to eligible ground emergency medical transportation providers that provided ground emergency medical transportation services to medical assistance recipients.
- Prescribe eligibility of ground emergency medical transportation providers for supplemental reimbursement.
- Limit the program to costs that were allowable expenditures under Federal law.

Proposed MCL 400.109p

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The DHHS received an estimated \$1.5 million from the General Fund/General Purpose for implementation costs in the Fiscal Year 2024-25 budget (Public Act 121 of 2024), but the bill should not result in additional costs to State government. There would be no direct fiscal cost to local governments under the bill, but the result of the implementation of the bill could generate additional revenue.

The bill requires the DHHS to submit a Medicaid State Plan Amendment (SPA) to the Federal Centers for Medicare and Medicaid Services (CMS) to obtain additional Federal funds for certain Medicaid-funded ground emergency medical transportation (GEMT) services. This SPA would enable public ambulance services, owned by municipalities, to receive supplemental Federal matching funds. Current CMS rules restrict participation to public entities that can document Certified Public Expenditures, demonstrating the gap between actual operating costs and Medicaid reimbursement rates.

An example of a Supplemental GEMT Payment System follows:

- City A operates a publicly funded ambulance service.
- Medicaid Patient 1 receives advanced life support transportation (Healthcare Common Procedure Coding System code A0426).
- City A bills Michigan Medicaid for \$397.45, but Michigan Medicaid reimbursement is limited to \$328.31 (rate as of October 2024).
- The \$69.14 cost difference is recorded in annual cost report.
- City A's Medicaid-related transport cost report totals to \$500,000 and it receives \$465,000 in reimbursements; under the bill it would receive a \$35,000 supplemental reimbursement (up to 100% of Medicaid-related costs).

Date Completed: 12-18-24

Fiscal Analyst: John P. Maxwell