### STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

## STATE: CALIFORNIA

#### **REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION SERVICES**

A. Amendment Scope and Authority

This amendment provides the authority to implement a payment methodology to provide for supplemental payments to eligible Medi-Cal air medical transportation providers that provide Fee-for-Service (FFS) emergency air medical transportation services for the dates of service period January 7, 2012 - June 30, 2012.

1. A first supplemental payment will be made no later than, November 30, 2012, for emergency air medical transportation services provided for the dates of service period January 7, 2012 – March 31, 2012.

2. A second supplemental payment will be made no later than, December 31, 2012, for emergency air medical transportation services provided for dates of service period April 1, 2012 – June 30, 2012.

B. Eligible Medical Transportation Providers

1. Medical transportation providers eligible for the supplemental payment under this amendment are air medical transportation providers that meet the following conditions:

(a) Is actively enrolled as a Medi-Cal air medical transportation provider.

(b) Operates an aircraft that meets the definition of an "Air Ambulance" as defined in Section 100280 in Title 22 of the California Code of Regulations (CCR) which was implemented April 28, 1988.

(c) Is certified by the Federal Aviation Agency (FAA) to use their aircraft for purpose of being an air medical transportation provider.

#### C. Definitions

1. "Emergency air medical transportation services" means services that are defined in Section 51323(c) of Title 22 of the CCR.

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D. Supplemental Payment Methodology

1. Air medical transportation providers will be paid two (2) supplemental payments for emergency air medical transportation services as set forth in this section. The supplemental payment amounts will be in addition to any other amounts payable to Medi-Cal air medical transportation providers with respect to those services and will not affect any other payments to air medical transportation providers. The total payment of base payment and supplemental payment should not exceed a provider's usual and customary rates charged to the general public.

2. The supplemental payments will only be paid for Medi-Cal emergency air medical transportation services provided in the Medi-Cal FFS program.

3. The supplemental payments will be based on a total pool amount of \$12,226,136 and divided among the total eligible air medical transportation providers that have submitted claims and received payment for the dates of service period January 7, 2012 to June 30, 2012. The calculations will be based upon the type of service and amount of services rendered and claimed on a per transport basis. The remaining pool balance after the second supplemental payment distribution will be disbursed through a rate adjustment for services on or after July 1, 2012.

(a) The first supplemental payment will be paid by November 30, 2012, and will be 4. based on 50% of the total pool amount referenced in Section D.3. above.

(b) The first supplemental payment will apply to FFS Medi-Cal emergency air transportation services paid for dates of service beginning January 7, 2012 -March 31, 2012.

(c) The supplemental payment for each emergency air medical transportation service will be calculated by multiplying the respective base rate for each service by the adjustment factor.

(i) Base rates for FFS emergency air medical transportation services are the State Agency's rates per procedure code as posted on the Medi-Cal Rates web site:

http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp

(ii) The current Medi-Cal costs of providing air medical transportation services will be the sum of all eligible emergency air medical transportation costs calculated by multiplying the respective Medi-Cal base rate for each

TN 12-001A Supersedes TN: None

NOV 0 5 2012 Approval Date:

Effective Date: January 7, 2012

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eligible emergency air medical transportation service in 4(c)(i) and the number of total paid claims for the dates of service period in 4(b).

(iii) The adjustment factor is the ratio of the pool amount and the total cost of providing air medical transportation services and will be calculated by dividing the first supplemental payment pool amount in 4(a) by the current Medi-Cal costs in 4(c)(ii).

5. (a) The second supplemental payment will be paid by December 31, 2012, and will be based on 50% of the pool amount referenced in Section D.3. above.

(b) The second supplemental payment will apply to FFS Medi-Cal emergency air transportation services paid for dates of service beginning April 1, 2012 to June 30, 2012.

(c) The same methodology as described in Section D.4. of this Supplement 16 to Attachment 4.19B will be used to calculate the second supplemental payment amount for emergency air medical transportation services for dates of service period in 5(b).

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## REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION SERVICES

## A. Emergency Air Medical Transportation Service Payment Augmentation

- 1. Effective for dates of service on and after July 1, 2012, the Department will implement a payment augmentation to eligible Medi-Cal air transportation providers, as defined in Supplement 16 to Attachment 4.19-B, Page 1, Section B.1, that provide Fee-for-Service (FFS) emergency air medical transportation services.
- 2. The payment augmentation amount will be in addition to the existing fee schedule rate for emergency air medical transportation and mileage services, as defined in Supplement 16 to Attachment 4.19-B, Page 1, Section C.1 and will not affect any other payments to air medical providers. The sum of the payment augmentation amount and the existing fee schedule rate must not exceed a provider's usual and customary rates charged to the general public for an emergency air medical transport.
- B. Payment Augmentation Methodology
  - 1. The Payment augmentation will apply to Medi-Cal emergency air transportation services paid for dates of service on and after July 1, 2012.
  - 2. The payment augmentation amount for each emergency air medical transportation service will be calculated by multiplying the respective base rate for each service by the adjustment factor.
    - (a) Base rates for emergency air medical transportation services are the Department's rate per procedure code as posted on the Medi-Cal Rates web site: <u>http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp</u>
    - (b) The current Medi-Cal costs of providing air medical transportation services will be the sum of all eligible emergency air medical transportation costs calculated by multiplying the respective Medi-Cal base rate for each eligible emergency air medical transportation service and the number of total paid claims for the dates of service period.
    - (c) The adjustment factor is the ratio of the annual amount available (as defined by (c)(i)/(c)(ii) below) and the total cost of providing air medical transportation services and will be calculated by dividing the amount available (as defined by (c)(i)/(c)(ii) below) by the current Medi-Cal costs.

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(i) For the 2012/13 rate year, the annual amount available for the payment augmentation will be based on a total pool amount of \$11,220,000. This pool amount will be distributed to the eligible air medical transportation providers, using the methodology as described in B(2), that have submitted claims and received payment for the dates of service period July 1, 2012 to June 30, 2013.

(ii) For the 2013/14 rate year, the annual amount available for the payment augmentation will be based on a total pool amount of \$9,000,000. This pool amount will be distributed to the eligible air medical transportation providers, using the methodology as described in B(2), that have submitted claims and received payment for the dates of service period July 1, 2013 to June 30, 2014.

3. The payment augmentation amount per transport will be calculated annually. Rates will be updated on 7/1/2014 and will be effective for services rendered on or after that date.

- 4. Effective July 1, 2014, the payment augmentation amount for each emergency air medical transportation service will be calculated as described in section (a).
  - (a) Base rates for emergency air medical transportation services are the State Agency's rates per procedure code as posted on the Medi-Cal Rates website: https://files.medi-cal.ca.gov/Rates/RatesHome.aspx
  - (b) Payment augmentation amounts for emergency air medical transportation services will be calculated by multiplying the augmentation rate by the date of service projected utilization.
    - i. The augmentation rate is the difference between the base rate and the maximum allowable amount per transport based on the state average of providers' usual and customary rates charged to the general public for an emergency air medical transport.
    - ii. For the 2019/20 rate year, the maximum annual amount available for the payment augmentation will be based on a total pool amount of \$10,000,000. Payments from this pool amount will be distributed to eligible air medical transportation providers, using the methodology described in b(i) and subject to the limitations of b(v), for the dates of service period July 1, 2019 through June 30, 2020, until the annual pool amount is exhausted.
    - iii. For the 2020/21 rate year, the maximum annual amount available for the payment augmentations will be based on a total pool amount of \$13,000,000. Payments from this pool amount will be distributed to eligible air medical transportation providers, using the methodology described in b(i) and subject to the limitations of b(v), for the dates of service period July 1, 2020 through June 30, 2021, until the annual pool amount is exhausted.
    - iv. For the 2021/22 rate year, the maximum annual amount available for the payment augmentations will be based on a total pool amount of up to \$10,000,000. Payments from this pool amount will be distributed to eligible air medical transportation providers, using the methodology described in b(i) and subject to the limitations of b(v), for the dates of service period July 1, 2021 through June 30, 2022, until the available annual pool amount up to \$10,000,000 is exhausted.
    - v. The total computable augmentation amount for each rate year shall not exceed the applicable total allowable under b(ii), and b(iii), b(iv).

# C. Payment Augmentation

1. Effective July 1, 2021 through June 30, 2022, the payment augmentation amount will be an add-on to the base rate for FFS emergency air medical transportation. The payment augmentation amounts will be posted on the Notes to Rates page of the Department's Medi-Cal web site for each applicable date of service period: https://files.medi-cal.ca.gov/Rates/RatesHome.aspx