



State of California—Health and Human Services Agency
Department of Health Care Services



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DATE: June 1, 2022

Policy Letter 22-001

TO: PUBLIC PROVIDERS OF GROUND EMERGENCY MEDICAL
TRANSPORTATION (GEMT) SERVICES

SUBJECT: PUBLIC PROVIDER INTERGOVERNMENTAL TRANSFER PROGRAM
FOR GEMT SERVICES

PURPOSE:

The purpose of this Policy Letter is to provide public providers of ground emergency transport services, public funding entities, Medi-Cal Fee-For-Service (FFS) and managed care stakeholders with guidance on the Assembly Bill (AB) 1705 Public Provider Ground Emergency Medical Transportation (PP-GEMT) Intergovernmental Transfer (IGT) program.

BACKGROUND:

Subject to obtaining necessary federal approvals, public providers of ground emergency medical transport, as defined in Welfare and Institutions (W&I) Code section 14105.945, will be transitioned out of the GEMT Quality Assurance Fee (QAF) program and into the PP-GEMT IGT program beginning on January 1, 2023.

In accordance with AB 1705 (Bonta, Chapter 544, Statutes of 2019), the Department of Health Care Services (DHCS) is in the process of implementing the PP-GEMT IGT program. The PP-GEMT IGT program authorizes DHCS to provide an add-on reimbursement to the FFS fee schedule base rates for specified procedure codes when the ground emergency medical transport services are provided by an eligible public provider to a Medi-Cal beneficiary.¹

POLICY:

Subject to federal approval, eligible public providers will be paid an add-on increase to FFS fee schedule base rates for each of the following ground emergency medical transportation procedure codes:

¹ See W&I Code § 14105.945.

Procedure Code	Procedure Code Description
A0225	NEONATAL EMERGENCY TRANSPORT
A0427	ALS1-EMERGENCY
A0429	BLS-EMERGENCY
A0433	ALS 2
A0434	SPECIALTY CARE TRANSPORT

RATE DEVELOPMENT FOR THE PP-GEMT IGT PROGRAM:

Fee-For-Service

With a proposed effective date of January 1, 2023, eligible transports will be paid the add-on increase on a per-claim basis, as described above.

DHCS will calculate an initial statewide add-on increase amount based on the difference between: (a) the weighted average reimbursement paid pursuant to the applicable base Medi-Cal FFS payment fee schedule for an emergency medical transport, and (b) the weighted average cost directly associated with providing a Medi-Cal emergency medical transport under the Medi-Cal program by an eligible provider. The average cost data will be drawn from the most recently audited cost reports of eligible providers available at the time the add-on amount is developed, which is the 2017-18 audited reports. The initial add-on amount may be adjusted to account for inflation, trend, and other material changes as appropriate.² For subsequent calendar years, DHCS, in consultation with participating eligible providers, may adjust the statewide add-on increase amount to account for inflation, trend adjustments, or other material changes, in accordance with federal law and actuarial standards.³

Managed Care

Medi-Cal Managed Care Plans (MCPs) are obligated to pay non-contracted providers of emergency and post-stabilization services in accordance with Title 42 of the United States Code (U.S.C.), section 1396u-2(b)(2)(D), Title 42 of the Code of Federal Regulations (CFR) part 438.114(c), and W&I Code section 14105.945(e). Therefore, MCPs must reimburse eligible non-contracted public providers of GEMT services at the FFS reimbursement rate, including the add-on increase amount for specified GEMT services.

For each qualifying emergency ambulance transport billed with the specified procedure codes, total FFS reimbursement will be provided according to the following table:

² See W&I Code §§ 14105.945(d)(1)-(2).

³ See W&I Code § 14105.945(d)(3).

Procedure Code	Procedure Code Description	Current Fee Schedule Rate*	Estimated Medi-Cal PP-GEMT IGT Add-on	Resulting Payment Amount
A0225	NEONATAL EMERGENCY TRANSPORT	\$179.92	\$946.92	\$1,126.84
A0427	ALS1-EMERGENCY	\$118.20	\$946.92	\$1,065.12
A0429	BLS-EMERGENCY	\$118.20	\$946.92	\$1,065.12
A0433	ALS 2	\$118.20	\$946.92	\$1,065.12
A0434	SPECIALTY CARE TRANSPORT	\$118.20	\$946.92	\$1,065.12

*These are the base rates associated with these codes, but are subject to further adjustments pursuant to the State Plan

Accordingly, MCPs are required to match the FFS reimbursement (“Rogers”) rate for non-contracted GEMT public providers, for each qualifying emergency ambulance transport provided and billed with the specified procedure codes. MCPs must pay applicable providers in accordance with timely claim payment requirements in the MCP’s contract with DHCS. Further guidance to MCPs will be provided in a future All Plan Letter (APL).

DHCS will develop actuarially sound managed care rates that take into account the projected costs of these reimbursement obligations.

PARTICIPATION IN PUBLIC PROVIDER IGT PROGRAM

Voluntary Participation by Public Funding Entities

Pursuant to W&I Code section 14105.945(h), the nonfederal share of expenditures for the PP-GEMT IGT program will consist of voluntary IGT of funds provided by funding entities, including eligible providers and their affiliated governmental entities, and other public funding entities pursuant to W&I Code section 14164. After finalizing the list of participating funding entities for a given rating period, the collection amounts for each funding entity will be based on the projected trips for each funding entity as a percentage of the projected trips across all participating funding entities. FFS trips will be projected based on the most recent available paid claims data. Managed Care trips will be based on an actuarial analysis which will include historical trips and information that may inform future trips. To calculate the collection amounts, the proportional percentage for each funding entity will be applied to the total estimated nonfederal share of projected expenditures associated with the PP-GEMT IGT program, inclusive of expenditures for trips by providers electing not to voluntarily participate in the program. A ten-percent administrative fee will be assessed and included in the

collection amount for each entity. This fee will be retained by DHCS for administrative costs associated with the PP-GEMT IGT Program.

Certification by each Public Funding Entity

DHCS will require public funding entities participating in the PP-GEMT IGT program that submit an IGT Certification Form to certify that the funds are eligible to be used as the nonfederal share in support of this program in accordance with all applicable state and federal laws. The IGT Certification Form, shall be sent to each participating entity no later than 45 days prior to the certification and accompanying IGT collection due date.

Invoicing Schedule

IGT invoices will be sent 45 days prior to the collection due date by DHCS to each funding entity along with the IGT Certification Form. Participating funding entities will have 45 calendar days to provide funds from the date the Certification Form and invoice are received.

Table 1: Schedule of IGT Funds Collection and Managed Care Payment

INVOICE/CERTIFICATION FORM SENT TO FUNDING ENTITY	MC & FFS COLLECTION QUARTER	MC & FFS COLLECTION DATE	MC CAPITATION MONTH	MC PAYMENT (CASH) MONTH
November/December 2022	Jan-March 2023	1/15/2023	Jan 2023	Feb 2023
			Feb 2023	March 2023
			March 2023	April 2023
February/March 2023	April-June 2023	4/15/2023	April 2023	May 2023
			May 2023	June 2023
			June 2023	July 2023
May/June 2023	July-Sept 2023	7/15/2023	July 2023	Aug 2023
			Aug 2023	Sept 2023
			Sept 2023	Oct 2023
August/September 2023	Oct-Dec 2023	10/15/2023	Oct 2023	Nov 2023
			Nov 2023	Dec 2023
			Dec 2023	Jan 2024

GEMT Certified Public Expenditure Program

If the PP-GEMT IGT program is implemented effective January 1, 2023, DHCS will notify providers via e-mail regarding the due date for the final cost report submission under the GEMT Certified Public Expenditure (CPE) program. Close-out activities for the GEMT CPE program, such as interim and final reconciliations, will continue after the effective date of the PP-GEMT IGT program (proposed effective January 1, 2023). In accordance with the State Plan, Supplement 18 to Attachment 4.19-B, interim reconciliations will occur within two years of receipt of the as-filed cost report. Within three years of the postmark date of the cost report, the cost report will be audited and final reconciliations performed. For questions regarding the GEMT CPE program, please reach out to DHCS Safety Net Financing Division (SNFD) at GEMT@dhcs.ca.gov.

Reconciliations

For both Managed Care and FFS, reconciliations will be done for each rate year. Reconciliations leading to payments or future offsets would also include the 10% administrative fee.

Consequences of Delinquent Payment or Nonpayment

If a public funding entity fails to transfer its collection amount by the designated collection deadline, DHCS will send a notice of delinquency to the public funding entity.

DHCS reserves the right to terminate the public funding entity from the PP-GEMT IGT program if DHCS and the public funding entity are unable to resolve delinquent payments within 45 days after the date of the notice of delinquency.

In the event that DHCS does not receive sufficient voluntary IGT contributions for purposes of funding the nonfederal share of expenditures for the PP-GEMT IGT program, DHCS shall determine that the program is no longer financially and programmatically supportive of the Medi-Cal program. In this event, the PP-GEMT IGT program will cease to be operative on the first day of the Medi-Cal managed care rating period beginning on or after the date of such determination.⁴ Participating eligible providers will be consulted before DHCS makes a determination regarding the viability and continuation of the PP-GEMT IGT program.

⁴ W&I Code § 14105.945(j).

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If you have any questions regarding this Policy Letter, please contact
AB1705@dhcs.ca.gov.

Sincerely,

Rafael Davtian
Division Chief