



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



EDMUND G. BROWN JR.  
GOVERNOR

**PPL 13-001**

DATE: **SEP 30 2013**

TO: GROUND EMERGENCY MEDICAL TRANSPORTATION  
SUPPLEMENTAL REIMBURSEMENT PROGRAM - PUBLIC  
PARTICIPANTS

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

The purpose of this Policy and Procedure Letter (PPL) is to provide guidance to eligible public providers participating in the Ground Emergency Medical Transportation supplemental payment (GEMT) program that contract for the provision of GEMT services.

This PPL clarifies, interprets, and makes specific “owns or operates” in Welfare and Institutions Code section 14105.94, subdivision (b), paragraph (3), when eligible GEMT public providers contract for the provision of GEMT services, billing services, or both through exclusive operation area contracts with private providers.<sup>1</sup>

As specified in Welfare and Institutions Code section 14105.94, subdivision (b), which may otherwise be limited by the Medi-Cal State Plan, in order for a provider to be eligible for the GEMT program the following requirements must be met:

- (1) Provides ground emergency medical transportation services to Medi-Cal beneficiaries.

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<sup>1</sup> 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.

(2) Is a provider that is enrolled as a Medi-Cal provider for the period being claimed.

(3) Is owned or operated by 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.

Eligible Contracting Arrangements – satisfying “owns or operates”

Eligible public providers that contract for the provision of GEMT services to a private provider, and the public provider directly bills the Department of Health Care Services (DHCS) for GEMT services, satisfies the “owns or operates” requirement in Welfare and Institutions Code section 14105.94, subdivision (b), paragraph (3), and the public provider is eligible to participate in the GEMT program. However, the public provider may claim supplement reimbursement only for the costs the public provider incurs, not the contracted provider’s costs. Therefore, costs eligible for reimbursement under this program would be the public provider’s contract costs attributed only to providing GEMT services to Medi-Cal beneficiaries, billing costs, and the public provider’s overhead costs allocated to the Medi-Cal GEMT services program, as allowed by State Plan Amendment (SPA) 09-024. The public provider may not claim supplemental reimbursement for any other cost incurred by the contracted private provider.

Eligible public providers that contract for the provision of GEMT services to a private provider, and the public provider also contracts out its billing activities to a billing agent that bills DHCS on the public provider’s behalf, satisfies the “owns or operates” requirement in Welfare and Institutions Code section 14105.94, subdivision (b), paragraph (3), and the public provider is eligible to participate in the GEMT program. However, the public provider may claim supplemental reimbursement only for its contract costs. Therefore, costs eligible for reimbursement under this program would be the public provider’s contract costs attributed only to providing GEMT services to Medi-Cal beneficiaries, and the public provider’s overhead costs (including the public provider’s billing agent costs) allocated to the Medi-Cal GEMT services program, as allowed by

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SPA 09-024. The public provider may not claim supplemental reimbursement for any other cost incurred by the contracted private provider and the billing agent.

If a public provider contracts for the provision of GEMT services and its billing activities to a private provider, and such private provider or its billing agent directly bills DHCS, then the public provider is not eligible to participate in the GEMT program because it does not satisfy the “owns or operates” requirement in Welfare and Institutions Code section 14105.94, subdivision (b), paragraph (3). Under this scenario, it is the private provider who “owns or operates” as the provider of GEMT services rather than the public provider.

A public provider that contracts for the provision of GEMT services and its billing activities, and allows the contracted private provider or the private provider’s billing agent to use the public provider’s National Provider Identification number for billing to DHCS, does not satisfy the “owns or operates” requirement in Welfare and Institutions Code section 14105.94, subdivision (b), paragraph (3), and the public provider is not eligible to participate in the GEMT program.

For guidance specific to your situation, please contact us to discuss your contracting arrangements at

**ORIGINAL SIGNED BY STACY FOX**

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Medi-Cal Supplemental Payments Section