



Preliminary Report

# Medicaid Reimbursement Under CARES Programs

## **Legislative Auditor Conclusion:**

The Health Care Authority's reimbursement standards for CARES are unlikely to generate additional savings for the state Medicaid program because they overlap with an established federally funded program.

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# 2017 Legislature passed E2SHB 1358

## **Health Care Authority:**

Develop standards to reimburse fire departments that provide CARES services to Medicaid clients.

## **JLARC:**

Review the cost-effectiveness of the standards by 2021.

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“ “ If the reimbursement standards have not resulted in savings to the state’s medical assistance programs, JLARC must recommend the repeal of the standards. ” ”

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Presenting early to provide the Legislature with available information about the CARES reimbursement standards.

# Legislature authorized CARES programs in 2013



## Community Assistance Referral and Education Services (CARES)



Operated by fire departments and differ to meet local needs.



Identify those who regularly use 911 for non-urgent care.



Connect them with more appropriate providers and services.



Can serve anyone in the community.

“

*Allow payment for covered health care services provided to individuals whose medical needs do not require ambulance transport to an emergency department.*

”

**E2SHB 1358**

HCA adopted **treat & refer reimbursement standards** after meeting with stakeholders and reviewing models used in Minnesota and Arizona.



Patient  
calls 911



Fire  
department  
responds



**Treat** patient  
if no transport  
is needed...



...And **refer**  
patient to  
providers or  
services

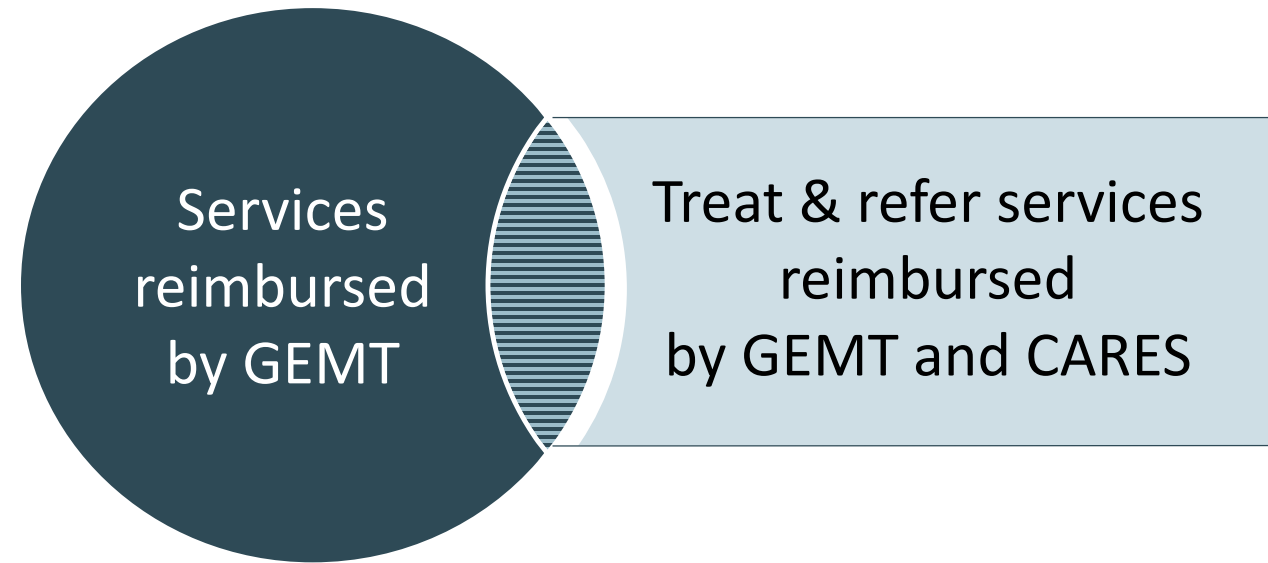


Request  
CARES  
reimbursement

# HCA's treat and refer reimbursement overlaps with a federally funded program

## Ground Emergency Medical Transportation (GEMT)

- Partially reimburses for transportation operating costs.
- Paid from federal funds.
- 128 fire departments participate in program.



# GEMT participation reduces net benefit of CARES reimbursement

GEMT includes federal funding only, while CARES reimbursement includes state funds.

	Fire Dept. Cost	Medicaid Reimbursement		Total Medicaid Reimbursement <i>State + federal</i>
		CARES <i>State + federal</i>	GEMT <i>Federal only</i>	
GEMT only	\$3,000	\$0	+ \$1,641	\$1,641
GEMT & CARES	\$3,000	\$115	+ \$1,583	\$1,698

With HCA's treat and refer reimbursement for CARES, fire departments receive an additional \$57 for each call.

# HCA's treat and refer reimbursement standards are unlikely to result in savings to the state's Medicaid program

CARES programs could generate savings if the services they provide avoid a more costly emergency department visit.



CARES programs existed before HCA implemented reimbursement standards.



Generating savings to the state would require growth in number of programs, services provided.

## HCA STATES THAT:

Participation in CARES is unlikely to grow significantly due to GEMT.

Reimbursement will increase state and federal expenditures by an estimated \$3.8 million.



Law requires JLARC to recommend repealing the reimbursement standards if they do not result in cost savings for the state.

## Legislative Auditor Recommendation

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Because HCA's current approach to Medicaid reimbursement for CARES is unlikely to yield cost savings, **the Legislature should consider:**

- **Repealing the reimbursement standards; or**
- **Revising the statutory direction for reimbursement.**



## Next Steps

Proposed Final Report | April 2020



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