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.
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.

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

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.

Identify those who regularly use 911 for non-urgent care.
Connect them with more appropriate providers and services.
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.

<table>
<thead>
<tr>
<th>Fire Dept. Cost</th>
<th>Medicaid Reimbursement</th>
<th>Total Medicaid Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CARES</td>
<td>GEMT</td>
</tr>
<tr>
<td></td>
<td>State + federal</td>
<td>Federal only</td>
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<tr>
<td>GEMT only</td>
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<td>$1,641</td>
</tr>
<tr>
<td>GEMT &amp; CARES</td>
<td>$115</td>
<td>$1,583</td>
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</table>

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.
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.

**Legislative Auditor Recommendation**

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.

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

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