Medicaid Reimbursement Under CARES Programs

The 2017 Legislature directed JLARC staff to review the cost-effectiveness of the CARES reimbursement standards (E2SHB 1358).

2017 legislation:
Directed the Health Care Authority (HCA) to develop reimbursement standards for CARES services provided to Medicaid clients.

HCA established reimbursement standards for CARES in 2019

How HCA's treat and refer reimbursement works:
- Patient calls 911
- Fire department responds
- Treat patient if no transport is needed...
- ...And refer patient to providers or services

HCA's treat and refer reimbursement standards overlap with an existing federally funded program

Fire departments also can receive partial payment for treat & refer services under the Ground Emergency Medical Transportation (GEMT) program. GEMT is paid from federal funds. CARES is paid from federal and state funds.

<table>
<thead>
<tr>
<th></th>
<th>Fire Dept. Cost</th>
<th>Medicaid Reimbursement</th>
<th>Total Medicaid Reimbursement</th>
<th>Remaining Local Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CARES state + federal</td>
<td>GEMT federal only</td>
<td></td>
</tr>
<tr>
<td>GEMT only</td>
<td>$3,000</td>
<td>$0</td>
<td>$1,641</td>
<td>$1,641 = $1,359</td>
</tr>
<tr>
<td>GEMT &amp; CARES</td>
<td>$3,000</td>
<td>$115</td>
<td>$1,583</td>
<td>$1,698 ($57 more than GEMT only) = $1,302</td>
</tr>
</tbody>
</table>

Based on current information, HCA's treat and refer reimbursement standards are unlikely to result in savings to the state's Medicaid program

To achieve savings to the state's Medicaid program, CARES programs and services would need to:
- Result in savings that exceed reimbursement costs.
- Grow beyond the level that existed when the standards took effect.

HCA has stated:
- Reimbursement will increase state and federal expenditures by an estimated $3.8 million.
- Participation in CARES is unlikely to grow significantly due to GEMT.

LEGISLATIVE AUDITOR'S RECOMMENDATION

Because HCA's current approach to Medicaid reimbursement for CARES is unlikely to yield cost savings, the Legislature should consider repealing or revising the statutory direction for reimbursement.
- There may be other factors to consider, such as providing funding to local fire departments.
- If the Legislature wants to increase the likelihood for cost savings to the state, it could direct HCA to create standards that do not overlap with other programs in order to provide more incentive for fire department participation and emergency room avoidance.

The complete report is on the JLARC web site: www.leg.wa.gov/jlarc
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