

# Medicaid Reimbursement Under CARES Programs

2020 JLARC REPORT

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

**CARES stands for:** Community Assistance Referral and Education Services

**CARES programs:** Statute has allowed fire departments to establish programs since 2013. Refers people who frequently use 911 or emergency departments to other providers and services. Programs differ to meet local needs.

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



Request CARES reimbursement

## 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.

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

	Fire Dept. Cost	Medicaid Reimbursement		Total Medicaid Reimbursement state + federal	Remaining Local Share
		CARES state + federal	GEMT federal only		
GEMT only	\$3,000	\$0	+ \$1,641	\$1,641	= \$1,359
GEMT & CARES	\$3,000	\$115	+ \$1,583	\$1,698 <i>(\$57 more than GEMT only)</i>	= \$1,302

## 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

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

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](http://www.leg.wa.gov/jlarc)

For more information, contact: Keenan Konopaski, Washington State Legislative Auditor  
keenan.konopaski@leg.wa.gov • (360) 786-5187

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