



Proposed Final Report

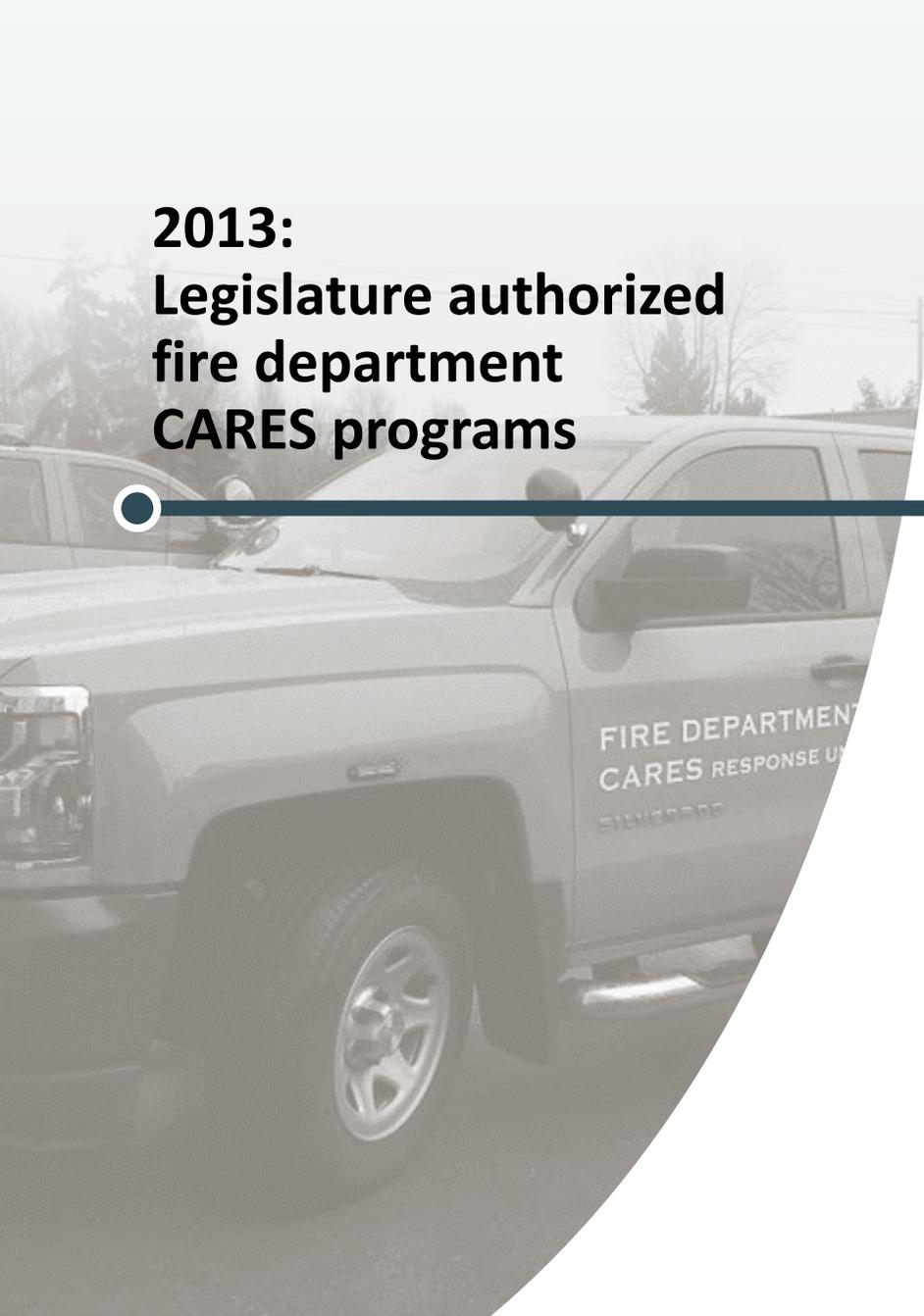
Medicaid Reimbursement Under CARES Programs

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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June 2020



2013:
Legislature authorized
fire department
CARES programs

2017:
Legislature directed
HCA to reimburse for
CARES services

2019:
HCA started
reimbursement for
some CARES services

JLARC to review the reimbursement standards

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

CARES statute and programs are unaffected by our review.

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.

HCA set standards to reimburse for Treat & Refer Services



Patient calls 911



Fire dept. responds



TREAT patient if no transport needed...



AND REFER patient to providers or services



CARES reimbursement

Modeled after Arizona Program

Minnesota and Nevada use different approaches

HCA set standards to reimburse for Treat & Refer Services



Patient
calls 911



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TREAT patient if no
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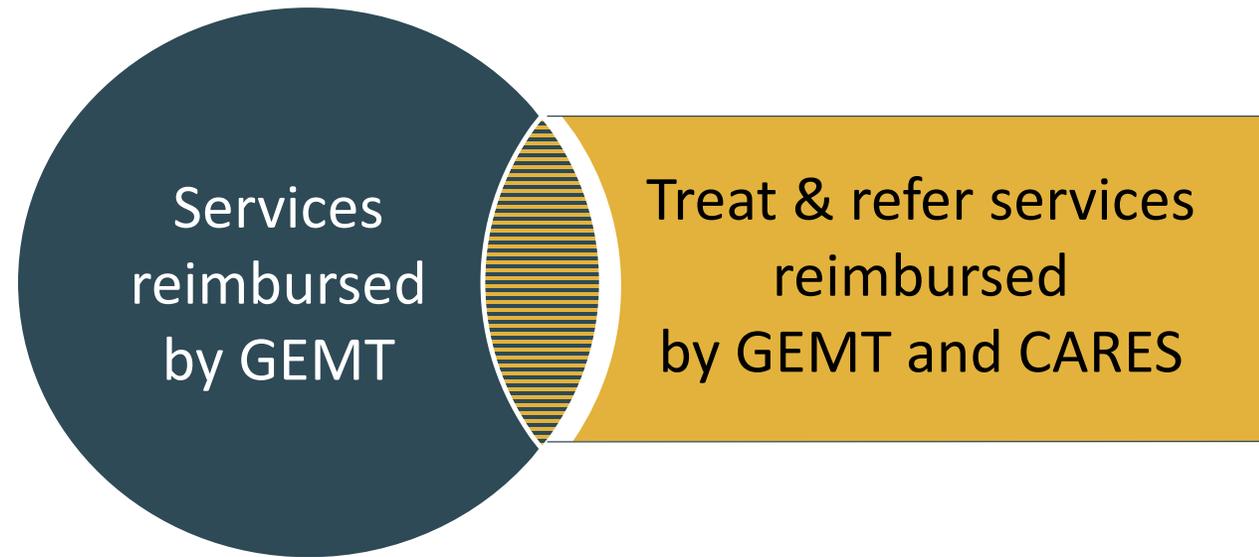
CARES
reimbursement

Not all CARES programs in Washington
use Treat & Refer

HCA's treat & 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 is paid with federal funds.

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, not \$115.

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

UNDERLYING ASSUMPTION:

Savings occurs if CARES services avoid an emergency department visit

Before Reimbursement

(2013 to June 2019)



- CARES programs existed and provided services.
- State has realized benefit from this level of service.

With Reimbursement

(June 2019 and future)



Generating savings to the state requires growth in number of programs and/or 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.

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 standards for reimbursement.

OR

Revising the statutory direction for reimbursement.

Agency Response

Health Care
Authority:
Partially Concur

Washington
Fire Chiefs:
Partially Concur

OFM, DOH: No Comment

Maintain the reimbursement because the additional funding is of value to the community

LEGISLATIVE AUDITOR RESPONSE:

- Cost savings are unlikely, and law requires this recommendation.
- HCA should pursue the WA Fire Chiefs' offer to re-think the approach and propose options to the Legislature.
- If Legislature wants to enhance financial assistance to fire departments, there are more efficient ways to do so.

Contact Us

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