

LSA NUMBER: #10-792
TITLE: Medicaid Services—Transportation Services
DIVISION: Office of Medicaid Policy and Planning
PREPARED BY: Program Staff: David Garner and Joy Heim

OVERVIEW OF RULE:

Amends 405 IAC 5-30-9 to reduce the rates by 10% for transportation service reimbursement to family members. Adds 405 IAC 5-30-1.5 to set forth a fee schedule for Medicaid transportation rates for emergency transportation services (ambulance services) and for non-emergency transportation services (non-ambulance services). Adds that the fee schedule rates for emergency transportation services (ambulance services) will be reduced by five percent. Adds that the fee schedule rates for non-emergency transportation services (non-ambulance services) will be reduced by 10% percent. Adds that all these rate reductions will be in effect for the period beginning upon the later of the effective date of this rule, or June 27, 2011, and continuing through June 30, 2013. The modification of the rates paid to transportation providers began on January 1, 2011 via an emergency rule promulgation.

FISCAL IMPACT:

The estimated decrease in annual Medicaid expenditures to transportation providers for this rule amendment is as follows:

Emergency Transportation 5% Rate Reduction

	SFY 2011	SFY 2012	SFY 2013
Total Medicaid	\$600,000	\$1,450,000	\$1,590,000
Federal Share	\$440,000	\$970,000	\$1,060,000
State Share	\$170,000	\$480,000	\$530,000

Non-Emergency Transportation 10% Rate Reduction

	SFY 2011	SFY 2012	SFY 2013
Total Medicaid	\$1,770,000	\$4,270,000	\$4,650,000
Federal Share	\$1,280,000	\$2,850,000	\$3,120,000
State Share	\$490,000	\$1,420,000	\$1,530,000

The estimated savings represent services provided to the fee-for-service population and the managed care population.

ECONOMIC IMPACT:

The proposed rule would decrease all reimbursements paid to providers by 5% for emergency transportation services and 10% for non-emergency transportation services. The FSSA OMPP is proceeding with this proposed rule due to budgetary constraints. The resulting savings of this proposed rule with help FSSA OMPP in meeting budgetary obligations.

There are 668 providers of transportation services that are forecasted to provide \$65 million of transportation services under the Indiana Medicaid program for state fiscal year 2011. The above fiscal information is the economic impact on these providers.

The proposed rule does not directly increase administrative or compliance costs for regulated entities. However, a reduction in reimbursement may result in a loss of profit for some providers. This loss of profit may lead some providers to change business practices or some providers may choose to no longer be Medicaid providers.

The proposed reimbursement change is an equitable rate reduction to all providers at a level that produces considerable savings for the State. The rate reduction is time limited and is removed for rates effective July 1,

2013.

OPPONENTS:

PROPOSERS: OMPP

RECOMMENDATIONS: None.

PUBLIC HEARING COMMENTS: The public hearing will be scheduled once the agency receives authorization to proceed from the Legislative Services Agency, which is estimated to be in early April 2011.