

**CABINET FOR HEALTH AND FAMILY SERVICES**

**Department for Medicaid Services**

**Division of Fiscal Management**

**(New Administrative Regulation)**

**907 KAR 3:062. Public Ground Ambulance Supplemental Payment Program.**

RELATES TO: KRS 45.229, 194A.030(2), 2 C.F.R. 200.413, 200.414, 42 C.F.R. 400.203, 413, 45 C.F.R. 75.413, 75.414, 42 U.S.C. 1396a

STATUTORY AUTHORITY: KRS 194A.050(1), 205.520(3), 205.560(1), 205.5604

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family Services, Department for Medicaid Services, has responsibility to administer the Medicaid program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with a requirement that may be imposed, or opportunity presented, by federal law to qualify for federal funds. KRS 205.5604 requires the department to promulgate an administrative regulation to implement a cost-based directed payment program for public ground ambulance providers. This administrative regulation establishes the requirements for implementing the ambulance supplemental payment program for ground ambulance providers.

**Section 1. Definitions.**

- (1) "Department" means the Department for Medicaid Services or its designee.
- (2) "Direct cost" is defined by 2 C.F.R. 200.413 and 45 C.F.R. 75.413.
- (3) "Federal financial participation" is defined by 42 C.F.R. 400.203.
- (4) "Government owned or operated ambulance provider" is established pursuant to 42 C.F.R. 433.50.
- (5) "Indirect cost" is defined by 2 C.F.R. 200.414 and 45 C.F.R. 75.414.
- (6) "Intergovernmental transfer" means any transfer of money by or on behalf of a public agency for purposes of qualifying funds for federal financial participation in accordance with 42 C.F.R. 433.51.
- (7) "Medicaid" means the state program of medical assistance as administered by the Cabinet for Health and Family Services in compliance with 42 U.S.C. sec. 1396.
- (8) "MMIS" means the Medicaid Management Information System or its successor program.
- (9) "Program year" means the calendar year during which supplemental payments and intergovernmental payments are made.

**Section 2. Public Ground Ambulance Supplemental Payment Program.** Prior to the program year, the department shall calculate a statewide average uniform per trip cost for transports provided by eligible government owned or operated, or special taxing district based, emergency medical transportation services that have opted in to this voluntary program.

- (1) For each quarter in a program year, the department shall calculate a quarterly Medicaid managed care payment to each qualifying government owned or operated emergency ambulance provider by:
  - (a) Computing the total allowable costs for providing medical transportation services based on the statewide average cost per trip multiplied by each provider's eligible trips.
  - (b) Utilizing MMIS managed care encounter data to be requested ninety (90) days after the quarter ends.
  - (c) Deducting any existing claims payments or other state directed payment amounts.
- (2) The department shall submit to each Medicaid managed care organization a listing of the quarterly Medicaid managed care supplemental payments that the Medicaid managed

care organization shall make to each eligible government owned or operated ambulance provider.

(3) Each Medicaid managed care organization shall remit to each government owned or operated ambulance provider, as directed by the department, the quarterly Medicaid managed care supplemental payment within ten (10) business days of receipt of the quarterly supplemental payment transfer.

(4) On a quarterly basis, within fifteen (15) days of receiving quarterly managed care payments, each eligible government owned or operated ambulance provider shall transfer an intergovernmental transfer to the department in accordance with 42 C.F.R. 433.51.

(5) If an intergovernmental transfer is not received in a timely manner, the department may consider the provider to be ineligible to participate in future periods.

### Section 3. Reporting Requirements.

(1) By November 30 of each program year, a government owned or operated ground ambulance provider shall submit a completed cost report. An extension may be granted on a temporary and case-by-case basis, not to exceed thirty (30) days, following a written request detailing the exigent circumstances that prevented the timely filing of the completed cost report.

(2)

(a) If a completed cost report and supporting documentation is not received by November 30, and an extension has not been requested and approved by the department, the department may deny or withhold future quarterly supplemental payments until a complete cost report is submitted.

(b) If a provider is sanctioned pursuant to paragraph (a) of this subsection, the provider shall be ineligible to participate in the next program year.

Section 4. Access to Supporting Records. A government owned or operated ground ambulance provider shall maintain and make available, upon request, any records and data necessary to justify and document:

(1) Cost report amounts submitted in accordance with Section 2;

(2) Resolution of a supplemental payment that the government owned or operated ground ambulance provider suspects is in error; or

(3) Quality metrics necessary for program reporting to the Centers for Medicare and Medicaid Services.

Section 5. Appeal Rights. An appeal of a department decision regarding quarterly payments shall be in accordance with 907 KAR 1:671.

Section 6. Federal Approval and Federal Financial Participation. The department's coverage of services pursuant to this administrative regulation shall be contingent upon:

(1) Receipt of federal financial participation for the coverage; and

(2) Centers for Medicare and Medicaid Services' approval for the coverage.

(907 KAR 003:062. 52 Ky.R. 670; eff. 1-22-2026.) COMPILER'S NOTE: 2025 RS HB 6, enacted by the General Assembly on March 27, 2025, altered the information to be provided at the time an administrative regulation is filed. Aside from formatting changes necessary to upload the regulation into the LRC's publication application, this regulation has been published as submitted by the agency.

*LISA D. LEE, Commissioner*

*STEPHEN J. STACK, M.D., MBA, Secretary*

APPROVED BY AGENCY: August 1, 2025

FILED WITH LRC: September 9, 2025 at 10:09 a.m.

**PUBLIC HEARING AND COMMENT PERIOD:** A public hearing on this administrative regulation shall, if requested, be held on November 24, 2025, at 9:00 a.m. using the CHFS Office of Legislative and Regulatory Affairs Zoom meeting room. The Zoom invitation will be emailed to each requestor the week prior to the scheduled hearing. Individuals interested in attending this virtual hearing shall notify this agency in writing by November 17, 2025, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who attends virtually will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on this proposed administrative regulation through November 30, 2025. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to the contact person. Pursuant to KRS 13A.280(8), copies of the statement of consideration and, if applicable, the amended after comments version of the administrative regulation shall be made available upon request.

**CONTACT PERSON:** Krista Quarles, Policy Analyst, Office of Legislative and Regulatory Affairs, 275 East Main Street 5 W-A, Frankfort, Kentucky 40621; phone 502-564-7476; fax 502-564-7091; email [CHFSregs@ky.gov](mailto:CHFSregs@ky.gov).