

1 AN ACT relating to a Medicaid supplemental payment program for public ground
2 ambulance providers.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
5 READ AS FOLLOWS:

6 *(1) As used in this section, "public ground ambulance provider" means a ground*
7 *ambulance provider licensed in accordance with administrative regulations*
8 *promulgated by the Kentucky Board of Emergency Medical Services, which is*
9 *owned or operated by a city, county, urban-county government, consolidated local*
10 *government, charter county government, unified local government, or special*
11 *district, except for a local rescue squad district created under KRS Chapter 39F.*

12 *(2) (a) The Department for Medicaid Services shall submit a Medicaid preprint*
13 *with a January 1, 2026, effective date to the Centers for Medicare and*
14 *Medicaid Services seeking authorization to establish and administer a*
15 *supplemental payment program to provide state-directed Medicaid managed*
16 *care payments to eligible public ground ambulance providers.*

17 *(b) If approved by the Centers for Medicare and Medicaid Services, the*
18 *department shall:*

19 *1. Establish and administer the program to provide state-directed*
20 *Medicaid payments to eligible public ground ambulance providers for*
21 *services provided under the managed care component of the Medicaid*
22 *program;*

23 *2. Operate the supplemental payment program described in this section*
24 *separately from the assessment and directed payment program*
25 *established under KRS 142.318, 205.5601, 205.5602, and 205.5603;*

26 *3. Utilize a cost report to determine the average cost per transport, which*
27 *shall be used in the upper payment limit calculation for the Medicaid*

- 1 managed care-directed payments;
2 4. Establish a cost-based payment methodology in accordance with the
3 Centers for Medicare and Medicaid Services' rules and regulations;
4 and
5 5. Promulgate administrative regulations necessary to carry out this
6 section.

7 (3) (a) The state match funds required for the supplemental payment program for
8 public ground ambulance providers shall:

- 9 1. Be provided by public ground ambulance providers participating in
10 the supplemental payment program via intergovernmental transfers or
11 similar government fund transfers; and
12 2. Include a total of two hundred thousand dollars (\$200,000) annually
13 that shall be retained by the department to offset administrative
14 expenses related to the supplemental payment program for public
15 ground ambulance providers. Each participating public ground
16 ambulance provider shall be responsible for a percentage of the
17 administrative fee retained by the department under this subparagraph
18 equal to the percentage of the total number of qualifying ambulance
19 runs a participating public ground ambulance provider made during
20 the previous year.

21 (b) Participating public ground ambulance providers shall identify and utilize a
22 source of funding for the intergovernmental fund transfers required by
23 paragraph (a) of this subsection, which shall:

- 24 1. Be separate from the assessment authorized under KRS 205.6406;
25 2. Not be from the state general fund; and
26 3. Comply with the requirements of the Centers for Medicare and
27 Medicaid Services.

1 (c) A continued local source of funding shall be identified for the nonfederal
2 share, which shall:

3 1. Be separate from the assessment authorized under KRS 142.318;

4 2. Not be from the state general fund; and

5 3. Comply with the requirements of the Centers for Medicare and
6 Medicaid Services.

7 (4) To be eligible to receive state-directed payments under this section, a public
8 ground ambulance provider shall:

9 (a) Hold a valid Medicaid provider agreement;

10 (b) Submit an annual cost report in accordance with administrative regulations
11 promulgated by the department; and

12 (c) Provide emergency medical transportation services to Medicaid
13 beneficiaries.