

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.