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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 643

01/23/2023 Authored by Huot, Brand, Backer, Baker and Zeleznikar The bill was read for the first time and referred to the Committee on Health Finance and Policy

1.1 A bill for an act
1.2 relating to human services; establishing an ambulance provider assessment program;
1.3 providing supplemental medical assistance payments for ambulance services;
1.4 exempting certain ambulance services from the MinnesotaCare provider tax;
1.5 amending Minnesota Statutes 2022, section 295.52, subdivision 5; proposing
1.6 coding for new law in Minnesota Statutes, chapter 256B.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. [256B.1951] AMBULANCE ASSESSMENT AND PAYMENT PROGRAM.

1.9 Subdivision 1. Definitions. (a) For purposes of this section, the following definitions
1.10 apply.

1.11 (b) "Ambulance provider" means an ambulance service licensed under chapter 144E,
1.12 with the exception of:

1.13 (1) ambulance services operated by a public or governmental entity, including but not
1.14 limited to a municipal fire department or police department; and

1.15 (2) ambulance services that exclusively provide air ambulance services.

1.16 (c) "Emergency ambulance services" means any services delivered by an ambulance
1.17 provider other than air ambulance services.

1.18 (d) "Fee" means the ambulance service assessment fee authorized by this section.

1.19 (e) "Gross revenues" has the meaning provided in section 295.50, subdivision 3.

1.20 Subd. 2. Ambulance provider assessment fee. (a) The commissioner, on a quarterly
1.21 basis, shall charge every ambulance provider an ambulance service assessment fee. The
1.22 commissioner shall implement the fee as a health care related tax as defined under United

2.1 States Code, title 42, section 1396b(w)(3)(A), and the commissioner shall collect the fee
2.2 only to the extent and for the periods that the commissioner determines that revenues
2.3 generated by the fee qualify as the state share of medical assistance expenditures eligible
2.4 for federal financial participation. The commissioner shall assess the fee on each ambulance
2.5 provider's gross revenues at a rate determined annually by the commissioner. The
2.6 commissioner shall calculate the rate such that the assessment generates the state share
2.7 necessary to fund the expenditures described in subdivision 4, provided that the fee must
2.8 not exceed the maximum percentage specified under Code of Federal Regulations, title 42,
2.9 section 433.68(f)(3)(i)(A). The commissioner shall establish each provider's fee amount
2.10 using the best data available, as determined by the commissioner in consultation with the
2.11 Minnesota Ambulance Association, and shall update each ambulance provider's fee at least
2.12 annually.

2.13 (b) All gross revenues received for emergency ambulance services, regardless of payer,
2.14 are subject to the fee, including but not limited to gross revenues received for emergency
2.15 ambulance services from commercial insurance and public health care programs under
2.16 fee-for-service and managed care arrangements. In the case of a transfer of ownership, an
2.17 ambulance provider's liability for the fee must be assumed by the successor in interest to
2.18 the ambulance provider.

2.19 (c) The commissioner of human services shall consult with the commissioner of revenue
2.20 when administering this subdivision.

2.21 Subd. 3. **Ambulance fee fund.** (a) The ambulance fee fund is established in the state
2.22 treasury. The commissioner of management and budget shall deposit the following revenues
2.23 into the fund:

2.24 (1) all revenues generated from the fee collected under subdivision 2;

2.25 (2) an amount equal to any federal financial participation revenues received by the state
2.26 for eligible expenditures made from the fund;

2.27 (3) any other appropriations to the fund authorized by law; and

2.28 (4) interest earned on any money in the fund.

2.29 (b) Money in the fund must be used only for the purposes specified in subdivision 4.

2.30 Subd. 4. **Expenditures from the ambulance fee fund.** (a) The commissioner shall use
2.31 money in the ambulance fee fund only to provide supplemental payments to ambulance
2.32 providers, in order to increase medical assistance payments to ambulance providers to a
2.33 level that does not exceed the average commercial insurance rate. The commissioner may

3.1 expend money in the fund for this purpose without further legislative authorization. The
 3.2 commissioner shall not use money in the fund to supplant or replace existing general fund
 3.3 appropriations and payment commitments.

3.4 (b) The commissioner shall make expenditures from the fund in a manner consistent
 3.5 with the requirements and conditions of federal financial participation under United States
 3.6 Code, title 42, section 1396b(w), and Code of Federal Regulations, title 42, section 433.68,
 3.7 and consistent with federal payment requirements and payment limits as determined by the
 3.8 secretary of the United States Department of Health and Human Services. The commissioner
 3.9 shall expend money in the fund in a manner that maximizes federal financial participation.

3.10 (c) The commissioner shall make supplemental payments to ambulance providers on a
 3.11 quarterly basis. The commissioner shall consult with the Minnesota Ambulance Association
 3.12 in the development and implementation of the payments.

3.13 (d) Beginning January 1, 2025, and each January 1 thereafter, the commissioner shall
 3.14 report annually to the chairs and ranking minority members of the legislative committees
 3.15 with jurisdiction over health care spending and policy on expenditures from the ambulance
 3.16 fee fund.

3.17 Subd. 5. **Federal approval required.** (a) The implementation of subdivisions 1 to 4 is
 3.18 contingent on federal approval. If the Centers for Medicare and Medicaid Services does not
 3.19 approve of, or withdraws approval of, the payments made to ambulance providers under
 3.20 this section, all money remaining in the fund must be returned to ambulance providers. If
 3.21 the commissioner no longer collects the fee, the commissioner shall return all money
 3.22 remaining in the fund to ambulance providers.

3.23 (b) The commissioner shall submit to the Centers for Medicare and Medicaid Services
 3.24 all Medicaid state plan amendments, waiver requests, and other documents required to
 3.25 implement this section.

3.26 **EFFECTIVE DATE.** Subdivisions 1 to 4 are effective January 1, 2024, or upon federal
 3.27 approval, whichever is later. The commissioner of human services shall notify the revisor
 3.28 of statutes when federal approval is obtained. Subdivision 5 is effective the day following
 3.29 final enactment.

3.30 Sec. 2. Minnesota Statutes 2022, section 295.52, subdivision 5, is amended to read:

3.31 Subd. 5. ~~Volunteer Ambulance services.~~ ~~Volunteer~~ (a) Except as provided in paragraph
 3.32 (b), an ambulance services are service is not subject to the tax under this section. For purposes
 3.33 of this requirement, "volunteer ambulance service" means an ambulance service in which

4.1 ~~all of the individuals whose primary responsibility is direct patient care meet the definition~~
4.2 ~~of volunteer under section 144E.001, subdivision 15. The ambulance service may employ~~
4.3 ~~administrative and support staff, and remain eligible for this exemption, if the primary~~
4.4 ~~responsibility of these staff is not direct patient care.~~

4.5 (b) An ambulance service operated by a hospital is subject to the tax under this section.

4.6 (c) An ambulance service operated by a hospital must pay the tax directly to the
4.7 commissioner as provided under section 295.55. Gross revenues from an ambulance service
4.8 operated by a hospital must not be included in hospital gross revenues for purposes of
4.9 payment of the tax.

4.10 **EFFECTIVE DATE.** This section is effective for gross revenues received on or after
4.11 January 1, 2024.