

GROUND EMERGENCY MEDICAL TRANSPORTATION SERVICES GENERAL INSTRUCTIONS FOR COMPLETING COST REPORT

A) GENERAL

To participate in the Ground Emergency Medical Transportation (GEMT) Uncompensated Cost Reimbursement Program authorized by State Plan Amendment (SPA) 17-0009, each eligible GEMT provider must submit the Centers for Medicare and Medicaid- (CMS) approved cost report to the Department of Social Services (DSS), MO HealthNet Division (MHD) within five months after the close of the state fiscal year (July 1 through June 30).

Each provider shall maintain fiscal and statistical records for the service period covered by the cost report. All records must be accurate and sufficiently detailed to substantiate the cost report data. The records must be maintained until the later of a) the cost report is finalized and settled or b) a period of three years following the submission of the CMS-approved cost report. If an audit is in progress, all records relevant to the audit must be retained until the audit is completed or the final resolution of all audit exceptions, deferrals, and/or disallowances.

B) DEFINITIONS

Cost Objective is a function or category of service for which costs are incurred.

- 1) **Direct Cost** - In accordance with 2 CFR 200.413, direct costs are those costs that:
Can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity; or
- 2) Can be directly assigned to such activities relatively easily with a high degree of accuracy.

Eligible GEMT Provider means a provider who is eligible to receive reconciled cost reimbursement under this program because it meets the following requirements continuously during the claiming period:

- 1) Provides GEMT services to MHD participants.
- 2) Is enrolled as a MHD provider for the period being claimed.
- 3) Is owned or operated by the state or a political subdivision.

Emergency Medical Response (EMR) is a cost objective that includes all expenditures for GEMT services.

GEMT Services means both the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the patient, as well as the advanced, limited-advanced, and basic life support services provided to an individual by eligible GEMT providers before ordering the act of transportation. As of January 1, 2020, GEMT Services also include advanced, limited-advanced, and basic life support services provided to an individual who is released on the scene without transportation by ambulance to a medical facility. Advanced, limited-advanced, or basic life support services provided to an individual who is released on the scene without transportation by ambulance to a medical facility prior to January 1, 2020, shall not be considered GEMT services. A run that does not result in a transport or delivery of on-site advanced, limited-advanced, or basic life support services shall not be considered GEMT services.

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Indirect Cost - Indirect costs are those incurred by a supporting organization or related party which are not directly accounted for as costs for EMR services, Non-EMR services or shared costs. Examples of indirect costs include overhead costs (i.e. accounting, human resources, etc.) incurred by a city, county, or other local government agency or special district that benefit the eligible GEMT provider, but the eligible GEMT provider has not been charged for those costs. The identification of shared costs does not preclude an eligible GEMT provider from also incurring indirect costs, and it is appropriate in certain cases for the uncompensated Medicaid costs to include both shared costs and indirect costs.

MHD – MO HealthNet Division

MHD Participant means patients enrolled in fee-for-service Missouri Medicaid.

Non-Medical Emergency Response (Non-EMR) means a cost objective that includes expenditures for non-medical emergency services, such as fire suppression not including medical services, and non-emergency ancillary services, such as fire prevention and fire permit issuance that are performed in the absence of an emergency in order to support preparedness, mitigate the need for emergency response, or lessen the severity of an emergency that might occur.

Reconciled Cost Reimbursements is a payment to eligible GEMT providers up to the uncompensated Medicaid costs associated with GEMT services for MHD participants.

Shift means a standard period of time assigned for a complete cycle of work, as set by each eligible GEMT provider. The number of hours in a shift may vary among providers, but will be consistent for each individual provider.

Service Period means July 1 through June 30 of each Missouri State fiscal year.

Transport means GEMT services that are provided by eligible GEMT providers to individuals, regardless of whether the service was billed or paid. Medicaid transports includes GEMT services for Medicaid managed care, Medicaid crossover and Medicaid fee for service patients. Other payer program transports shall be GEMT services provided to patients with payer sources other than Medicaid. Transportation services that do not involve an emergency or which are non-medical emergencies shall not be included as transports. GEMT services that are denied as not medically necessary shall be included in total transports but not included as a Medicaid transport.

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Unallowable Costs are those expenditures, such as bad debts, contributions and donations, entertainment including alcoholic beverages, fundraising costs, lobbying, legal judgments, and fines or penalties, which 2CFR Part 200 does not permit to be charged for federal programs. If unallowable costs are not easily identifiable from allowable costs, the associated revenues received for providing the unallowable services will be offset against allowable cost. Additionally, for the purposes of Medicaid cost identification for the GEMT program, expenditures benefitting the non- medical emergency response cost objective are not costs incurred for GEMT services.

Uncompensated Medicaid Costs are costs of GEMT services for MHD participants that exceeds the reimbursement received from, but not limited to, Medicaid, the participant, and enhanced supplemental payments received from the ambulance service reimbursement allowance under 13 C.S.R. 70-3.200. Cost excludes Medicaid managed care and dual-eligible Medicaid transports.

Dual-Eligible Medicaid Transport is any transport where Medicaid is not the primary payer due to other coverage including Medicare or other private insurance. These costs will not be reimbursed in the GEMT supplemental program.

Non-Medical Emergency Transport A scheduled transport to and/or from scheduled medical appointments or services in which the patient has no other means of transportation. Modes of transportation for this service include but are not limited to vans, taxis, and buses.

C) REPORTING REQUIREMENTS

All costs reported must be in accordance with the following:

- 1) SPA 17-0009. Reconciled cost reimbursement under this program is available only for allowable costs incurred for providing GEMT services to eligible Medicaid beneficiaries that are in excess of the payments the eligible GEMT provider receives per transport from any source of reimbursement.
 - a) The allowable costs must be determined in accordance with the methodology specified under SPA 17-0009.
 - b) A copy of the State Plan which includes GEMT services can be requested in writing from the MO HealthNet Division, P.O. Box 6500, Jefferson City, MO 65109.
 - c) A copy of the cost report can be found on <https://dss.mo.gov/mhd/cs/medprecert/pages/gemt.htm>.
- 2) Missouri Medicaid Ground Emergency Medical Transportation (GEMT) Uncompensated Cost Reimbursement Program regulations.
- 3) Medicare cost reimbursement principles in 42 Code of Federal Regulations (CFR), Part 413 and Section 1861 of the Federal Social Security Act (42 USC, Section 1395x). 42 CFR and the

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governing statute in the Federal Social Security Act outlines the manner in which allowable costs are considered reasonable, necessary and related to beneficiary health care.

- 4) These cost principles are reiterated in the CMS, Provider Reimbursement Manual 15-1 (CMS Pub. 15-1). This manual is online at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/index.html>. Upon entering the site, select “Paper-Based Manuals” and then “Publication 15-1”. The relevant cost reimbursement chapters will be displayed. Within each chapter, the section numbers may appear out of sequence. Select the file containing the reference “TOC” to display the table of contents of the relevant sections within the chapter.
- 5) Allowable costs are those that are generally considered eligible for federal reimbursement based on the cost principles established in 2 CFR Part 200. Allowable costs are those that are in compliance with CMS non-institutional reimbursement policy.

D) LAWS AND REGULATIONS AT A GLANCE

- 1) Missouri Medicaid GEMT Uncompensated Reimbursement Program regulations
- 2) 42 CFR, Part 413 – Principles of reasonable cost.
- 3) 2 CFR, Part 200
- 4) Section 208.1030 RSMo.

E) ADDITIONAL CRITERIA FOR COST REPORTING

- 1) Only costs for services provided to Medicaid beneficiaries on or after July 1 of the reporting year are eligible for reconciled cost reimbursement.
- 2) Services rendered to patients who have coverage in which Medicaid is not the primary payor due to other coverage including Medicare or other private insurance will not be reimbursed under this program.
- 3) Total transports on Schedule 9 are to contain emergency transport services provided to individuals during the cost report period, regardless of whether the service was billed or paid.
- 4) Costs reported on Schedules 2, 3, 4, and 5 are to reconcile to the provider’s general ledger, working trial balance, and/or fund accounting report for the entire cost report period.
- 5) Administrative costs incurred for reimbursing MHD for costs associated with implementing the GEMT program must be excluded from the cost report.
- 6) Payments to contract billing service providers are an allowable administrative cost. Fee arrangements based on hourly rates, fixed amounts, percentage of collection, or other methods are all considered allowable for computing uncompensated Medicaid costs; however, all payments to contract billing service providers must not exceed fair market value.
- 7) The provider tax assessment expense, excluding administrative fees and pooling fees, paid to the state is an allowable expense. The provider tax assessment is to be reduced by the pooling payments received from participation in the tax program.
- 8) Capital asset purchases greater than \$5,000 are considered capital expenditures and are non-

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allowable. Costs associated with capital expenditures can be included in the cost report by including the depreciation expense.

- 9) If unallowable costs are not easily identifiable from allowable costs, the associated revenues received for providing the unallowable services will be offset against allowable cost. For example, any revenues received for dry run or stand-by services, non-emergent medical transportation, training of non-employees, etc. are to be offset against cost.
- 10) Direct costs for providing GEMT services include only the unallocated payroll costs for the shifts in which personnel dedicate 100 percent of their time to providing GEMT services, medical equipment and supplies, and other costs directly related to the delivery of GEMT services, such as first-line supervision, materials and supplies, professional and contracted services, capital outlay, travel, and training.
- 11) Each item of cost incurred for the same purpose is to be treated consistently in like circumstances as a direct cost or shared cost in order to avoid possible double-charging of federal awards. For example, any cost incurred by an eligible GEMT provider which includes both costs incurred applicable to non-EMR services as well as GEMT services must in their entirety be consistently classified as direct or shared costs.
- 12) Shared costs for EMR and Non-EMR services shall be allocated based on a reasonable method in accordance with the guidelines in 2 CFR Part 200. The cost report shall allow the provider to use any reasonable method in the CMS Pub. 15-1, 2 CFR Part 200, 42 CFR Part 413. Example reasonable methods include:
 - a) Square footage allocations for capital cost;
 - b) Depreciation cost for capital cost; or
 - c) Time studies for salaries and benefits.
- 13) When providing allocation information, statistics from the shared costs should not be included in the calculations for allocation between EMR and Non-EMR services.
- 14) GEMT providers that do not provide fire services or any non-EMR services would not have shared costs and the cost report would only reflect EMR direct costs.
- 15) GEMT providers that do not provide fire services, but provide training of non-employees or non-emergency medical transportation services (i.e. non-emergency transportation between medical facilities or patient homes) shall include the cost of such services in their EMR direct costs, but shall offset those costs by any reimbursement received for such services up to the amount of costs for such services.
- 16) Indirect costs are determined in accordance to one of the following options:
 - a) Eligible GEMT Providers that receive more than \$35 million in direct federal awards must either have a Cost Allocation Plan (CAP) or a cognizant agency approved indirect rate agreement in place with its federal cognizant agency to identify indirect cost. If the provider does not have a CAP or an indirect rate agreement in place with its federal cognizant agency and it would like to claim indirect cost in association with a non-institutional service, it must obtain one or the other before it can claim any indirect cost.

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- b) Eligible GEMT providers that receive less than \$35 million of direct federal awards are required to develop and maintain an indirect rate proposal for purposes of audit. In the absence of an indirect rate proposal, providers may use methods originating from a CAP to identify its indirect cost. If the provider does not have an indirect rate proposal on file or a CAP in place and it would like to claim indirect cost in association with a non-institutional service, it must secure one or the other before it can claim any indirect cost.
- c) Eligible GEMT Providers which receive no direct federal funding can use any of the following previously established methodologies to identify indirect cost:
- A CAP with its local government
 - An indirect rate negotiated with its local government
 - Direct identification through use of a cost report
- 17) If the GEMT provider never established any of the above methodologies, it may do so, or it may elect to use the 10 percent de minimis rate to identify its indirect cost.

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F) COST REPORT SECTIONS AT A GLANCE

| Section | Description |
|----------------|---|
| Certification | General Information and Certification |
| Schedule 1 | Total Expense |
| Schedule 2 | Emergency Medical Response (EMR) Expenses |
| Schedule 3 | Non-Emergency Medical Response (Non-EMR) Expenses |
| Schedule 4 | Allocation of Capital Related and Salaries & Benefits |
| Schedule 5 | Allocation of Administrative and General |
| Schedule 6 | Reclassifications of Expenses |
| Schedule 7 | Adjustments to Expenses |
| Schedule 8 | Revenues /Funding Sources |
| Schedule 9 | Settlement Calculation |
| Schedule 10 | Notes |

GENERAL INFORMATION AND CERTIFICATION

Complete items 1-27. The individual signing the certification statement must be an officer or administrator. The cost report must be legibly completed and signed. Cost reports received that are not clear, legible, or have been altered, or are incomplete, and/or not signed will be rejected and returned with instructions noting the deficiencies in need of correction. Cost reports that are not accepted by the required filing deadline due to improper completion will be rejected.

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SCHEDULE 1 – TOTAL EXPENSE

This worksheet should reflect all costs incurred by the GEMT provider. No input is necessary on this Schedule. All numbers will flow from other Schedules.

SCHEDULE 2 – EMERGENCY MEDICAL RESPONSE (EMR) TRANSPORT EXPENSES

Enter the total unallocated direct expenses incurred from providing 100% EMR during each shift. Do not enter expenses for multiple activities (i.e. “shared” costs) as 100% EMR. These expenses must be allocated on Schedules 4 and 5. For example, salary and fringe benefit expenses for staff that responds to both EMR transports and Non-EMR transports activities (i.e. firefighters) must be reported on Schedule 4 as allocated costs. If costs are allocated between EMR and Non-EMR prior to reporting on Schedule 2, then these expenses must be allocated to EMR and Non-EMR on Schedules 4 and 5.

Column 1: Enter all costs that are 100% associated with EMR. Any costs that are not 100% EMR or considered a shared cost will be input on other Schedules.

Column 2: No input necessary. Information will flow from Schedule 4.

Column 3: No input necessary. Information will flow from Schedule 6.

Column 4: No input necessary. Information will flow from Schedule 7.

Column 5: No input necessary. Information will auto-calculate.

SCHEDULE 3 - NON-EMERGENCY MEDICAL RESPONSE (NON-EMR) TRANSPORT EXPENSES

Enter the total unallocated direct expenses applicable to 100% Non-EMR services during each shift. Do not enter expenses for multiple activities (i.e. shared costs) as 100% Non-EMR. These expenses must be allocated on Schedules 4 and 5. If costs are allocated between EMR and Non-EMR prior to reporting on Schedule 3, then these expenses must be allocated to EMR and Non-EMR on Schedules 4 and 5.

Column 1: Enter all costs that are 100% associated with NON-EMR.

Column 2: No input necessary. Information will flow from Schedule 4.

Column 3: No input necessary. Information will flow from Schedule 6.

Column 4: No input necessary. Information will flow from Schedule 7.

Column 5: No input necessary. Information will auto-calculate.

SCHEDULE 4 - ALLOCATION OF CAPITAL-RELATED AND SALARIES & BENEFITS

Enter total shared expenses that will be apportioned between EMR and Non-EMR services. These are costs that cannot be directly assigned to EMR or Non-EMR services relatively easily with a high degree of accuracy.

Column 1: Enter all capital-related and salaries and benefit costs that are not directly assigned to EMR

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and Non-EMR services.

Column 2: No input necessary. Information will flow from Schedule 6.

Column 3: No input necessary. Information will flow from Schedule 7.

Columns 4 thru 6: No input necessary. Information will auto-calculate.

Shared costs for EMR and Non-EMR services shall be allocated based on a reasonable method. Examples of reasonable allocation statistics methods include, but are not limited to, square footage allocations for capital costs, depreciation cost for capital costs, or time studies for salaries and fringe benefits. Detailed support for the allocations should be submitted as supporting documentation.

SCHEDULE 5 – ALLOCATION OF ADMINISTRATIVE AND GENERAL

Enter total shared expenses for Administrative and General Costs. For example, costs pertaining to overhead departments who perform EMR and Non-EMR services.

Column 1: Enter all Administrative and General (A&G) costs that are not directly assigned to EMR and Non-EMR services.

Column 2: No input necessary. Information will flow from Schedule 6.

Column 3: No input necessary. Information will flow from Schedule 7.

Columns 4 thru 6: No input necessary. Information will auto-calculate.

SCHEDULE 6 - RECLASSIFICATIONS

A reclassification of expense is an entry that transfers costs from one cost center and/or schedule to another. Reclassification will be necessary when an expense has been improperly classified.

An explanation must be included for each reclassification in the column labeled “Explanation of Entry.”

Column 1: Enter sequential lettering system to identify individual reclassifications; i.e. A. B. C...

Column 2: Enter cost center (this is increasing).

Column 3: Enter line number of schedule to which this increase pertains.

Column 4: Enter schedule number to which this increase pertains.

Column 5: Enter the amount of increase.

Column 6: Enter cost center (this is decreasing).

Column 7: Enter line number of schedule to which this decrease pertains.

Column 8: Enter schedule number to which this decrease pertains.

Column 9: Enter the amount of decrease.

The increased total **must equal** the decreased total at the bottom of this schedule.

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SCHEDULE 7 – ADJUSTMENTS

An adjustment is an entry to adjust expenses. For example, the cost of fundraising activities is not a reimbursable expense under the CMS Pub.15-1 and 2 CFR, Part 200. Therefore, remove any costs associated with fundraising, which are included in your general ledger expenses, through an adjustment in Schedule 7. If unallowable costs are not easily identifiable from allowable costs, then associated revenues received for providing the unallowable services will be offset against allowable cost.

Description: Enter the description for the adjustment.

Column 1: Enter the basis for adjustment. Enter “A” if the adjustment pertains to cost. Enter “B” if the adjustment pertains to a revenue.

Column 2: Enter the adjustment amount. If the adjustment is to decrease cost, enter a negative value. If the adjustment is to increase cost, enter a positive value.

Column 3: Enter the cost center.

Column 4: Enter the schedule number to which the adjustment pertains.

Column 5: Enter line number of schedule to which this adjustment pertains.

SCHEDULE 8 – REVENUES / FUNDING SOURCES

AREA A

Column 1: Specify Medicaid FFS revenue source.

Columns 2 thru 5: Enter Medicaid FFS dollar amount for revenue received as indicated in the Medicaid Management Information System (MMIS) data.

Column 6: No input necessary. Information will auto-calculate.

AREA B

Column 1: Specify Medicaid Managed Care (MCO) revenue source.

Columns 2 thru 5: Enter dollar amount for revenue received.

Column 6: No input necessary. Information will auto-calculate.

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AREA C

Report all other revenues not reported in Area A and B for EMR and Non-EMR by type.

Column 1: Report all revenue (i.e. private insurance payments, tax revenue, grants, etc.) received and list the funding source.

Column 2: Enter revenue amount if it's EMR specific.

Column 3: Enter revenue amount if it is Non-EMR specific.

Column 4: No input necessary. Information will auto-calculate.

SCHEDULE 9 –SETTLEMENT

Line #1: No input necessary as cost of EMR will populate from Schedule 2.

Line #2: Indicate if the Indirect Cost Factor was based on EMR. Use the drop down box to answer “Yes” or “No”.

Line #3: If the answer for Row 2 above was “No”, enter the base costs for calculating the indirect cost.

Line #4: Enter the Indirect Cost Factor. In most cases, when an Indirect Cost Factor is being applied, there should be no A&G cost allocated.

Line #5: No input necessary as A&G Allocation will populate from Schedule 5.

Line #6: No input necessary as A&G totals to be included will populate.

Line #7: No input necessary as grand total of EMR expense will populate.

Line #8: Enter the total number of EMR Medicaid managed care, Medicaid crossover, Medicaid fee-for-service, and other payor programs transports for the reporting period, by quarter where applicable. Medicaid fee-for-service transports should reconcile to the provided MMIS data.

Line #9: No input necessary as an average cost per medical transport will be determined by dividing grand total of EMR expense to the total number of ambulance transports.

Line #10: No input necessary as FFS Transports will populate for the corresponding quarter from Schedule 9, Row #8.

Line #11: No input necessary as total costs of Medicaid ground emergency medical transports will populate.

Line #12: No input necessary as Medicaid FFS revenue will populate for the corresponding quarters from Schedule 8, Lines 1-6. The revenue amounts will be a negative value.

Line #13: No input necessary as net cost of services for the corresponding quarter will populate.

Line #14: Non Federal Share reduction will populate for the corresponding quarter. **Verify correct FMAP rate is used in the calculation for the service period.**

Line #15: Net Federal Participation Amount will populate for the corresponding quarter based on the FMAP rate.

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SCHEDULE 10- NOTES

Identify any contracting arrangements for expenditures reported on Schedules 1-5, the statistical basis for allocation on Schedules 4 and 5, and reasons for any schedules left blank.

FILING DEADLINE

To receive reconciled cost reimbursement under the GEMT program, each eligible GEMT provider must submit an annual cost report to MHD. Cost reports are due no later than November 30 after the last day of the State Fiscal Year (June 30), unless the provider has submitted a written request to MHD for an extension and such request is granted by MHD. Any written request for an extension must include a detailed explanation of the circumstances supporting the need for additional time. Extensions may be granted by MHD for good cause.

The cost report must be completed in compliance with the requirements set forth in the GEMT Uncompensated Cost Reimbursement Program regulations. If the eligible GEMT provider's as-filed cost report reflects that the eligible GEMT provider has uncompensated Medicaid costs associated with GEMT services, the eligible GEMT provider is eligible to receive an interim payment from MHD. If the eligible GEMT provider's as-filed cost report does not reflect any uncompensated Medicaid costs associated with GEMT services, then the provider is not entitled to receive an interim payment from MHD under the supplemental payment program.

Eligible GEMT providers must complete and submit to MHD the following forms when submitting their annual cost report:

- 1) Provider Agreement for the MO HealthNet Division Ground Emergency Medical Transportation (GEMT) Uncompensated Cost Reimbursement Program
- 2) Electronic Funds Transfer Authorization Agreement
- 3) Intergovernmental Transfer of Public Funds Agreement
- 4) Administration Fee Agreement

A signed Adobe PDF™ version of the above forms, the Excel™ version of the cost report, and all requested supporting documentation should be submitted electronically to

<https://mocostrereports.mslc.com>.

MHD, or MHD's designated contractor, will audit and reconcile the as-filed cost reports within one year of receipt of the as-filed cost reports, unless MHD determines that additional time is needed, not to exceed three years from receipt of the as-filed cost report.