

Supplemental Emergency Medical Transportation (SEMT) Cost Report Instructions

A) GENERAL

To participate in the reimbursement program authorized by State Plan Amendment (SPA 19-0007 each eligible publicly owned or operated emergency medical transportation provider must submit the Centers for Medicare and Medicaid (CMS) approved cost report to the Department of Health and Social Services' Office of Rate Review on or before 5 months after the provider's fiscal year end.

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 – SEMT

45 CFR 75.412 indicates there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect cost in order to avoid possible double-charging of Federal awards.

Direct Cost

45 CFR 75.413 indicates that direct costs are those that:

- 1) 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

45 CFR 75.413 also indicates that cost incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect cost. Essentially, any cost incurred by a provider which includes both cost incurred applicable to firefighting as well as EMT services must be consistently direct or indirect in its entirety. For example, if travel expenses are assigned to EMT services as a direct cost, the remaining portion must be assigned to firefighting, or any other cost objective, as a direct cost in order to avoid possible double charging.

Indirect Cost

Indirect costs are those that cannot be readily assigned to a particular cost objective and are those that have been incurred for common or joint purposes. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are the remaining costs to be allocated to benefit cost objectives.

Direct Cost for SEMT Services

Professional and Contracted Services:

1) Medical Transportation Service (MTS) Salaries/fringes: The allocation statistic of MTS Hours / Non-MTS Hours would be accomplished via use of worker day logs or a Random Moment Time Study (RMTS).

2) Non-MTS Salaries/fringes: Based on 45 CFR 75.413(c), the salary/fringes applicable to clerical support staff should be included in the direct cost pool. The definition at 45 CFR 75.413(a) requires the allocation/assignment to be specifically based on clerical/support staff hours supporting EMTs / hours supporting other functions. This would be accomplished via use of a worker day logs or a RMTS.

1st Line Supervisors:

1) Fire Chiefs: Based on the portion of 45 CFR 75.413 which refers to cost being assigned with a high degree of accuracy, this would be accomplished via use of worker day logs or a RMTS.

2) Administrative Chiefs: Based on 45 CFR 75.413(c), the salary/fringes applicable to the Administrative Chief should be included in the direct cost pool. The definition at 45 CFR 75.413(a) requires the allocation/assignment to be based on the Administrative Chief's hours supporting EMTS / hours supporting other functions. This would be accomplished via use of worker day logs or a RMTS.

Medical Equipment and Supplies: Assignment should be based on direct identification.

Materials and Supplies: Assignment should be based on direct identification.

Travel: Assignment should be based on direct identification.

Training: Assignment should be based on direct identification.

Capital Outlays:

1) Depreciation – Buildings and Improvements: An allocation statistic based solely on square footage may not be appropriate as a square foot statistic would not account for situations where more or all improvements were made to the portion of the building/facility that pertains to firefighting.

2) Depreciation – Equipment: An allocation statistic based solely on square footage may not be appropriate as a square footage statistic would not account for situations where a higher percentage of the equipment costs is applicable to firefighting.

3) Depreciation – Other: The Centers for Medicare and Medicaid Services (CMS) anticipates that depreciation for Fire trucks is recorded separately from the depreciation for the ambulance vehicles.

4) Leases and Rentals: An allocation/assignment statistic based on square footage is appropriate.

5) Property Taxes: An allocation/assignment statistic based on square footage is appropriate.

6) Property Insurance: An allocation/assignment statistic based on square footage is appropriate.

7) Interested – Property, Plant, and Equipment: An allocation/assignment statistic based on square footage may be appropriate, however, this may take further discussion with the State to understand the equipment component.

Transport

Supplemental Emergency Medical Transportation Services as defined in the Medicaid State Plan Amendment (SPA 19-0007) that are provided by eligible SEMT providers to eligible Medicaid recipients.

Medical Transportation Service (MTS)

Transportation to secure medical examinations and treatment for an individual.

Emergency Medical Response

A cost objective that includes expenditures for medical service performed at the point of inquiry or illness, typically outside a medical facility, to evaluate or treat a health condition. An emergency medical response is classed as "medical" by dispatch if the primacy reason for the response is to provide medical services.

Non-Medical Emergency Response

Non-Medical Emergency Response includes all emergency response activities whose purpose is not primarily medical. These responses are classified by dispatch in a variety of categories and reported for the purpose of cost reporting in a summary category of non-medical emergency response. Expenditures assigned to this cost objective are not allowable for determining the cost of emergency transportation.

Non-Medical Emergency Ancillary Services

Non-Medical Emergency Ancillary Services includes activities such as fire prevention and permit issuance that are performed in the absence of an emergency to support preparedness, mitigate the need for emergency response, or lessen the severity of an emergency that might occur. For the purpose of Medicaid cost identification, expenditures associated with non-emergency ancillary services are not allowable for determining the cost of emergency medical transportation.

Shift

A standard period of time assigned for a complete cycle of work, as set by each Eligible SEMT Provider. The number of hours in a shift may vary by SEMT provider, but will be consistent to each SEMT provider.

SEMT Services

The act of transporting an eligible Medicaid recipient 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 eligible Medicaid recipient by SEMT providers before or during the act of transportation.

Service Period

The provider's fiscal year.

Eligible SEMT Provider

A provider who is eligible to receive supplemental payments under this program because it meets the following requirements continuously during the claiming period.

- 1) It provides ground, air, or water emergency medical transport services to Medicaid beneficiaries.
- 2) It is a provider that is enrolled as a Medicaid provider for the time period being claimed
- 3) It is owned or operated by the state, city, county, fire protection district, community service district, health care district, federally recognized Indian tribe or any unit of government as defined in 42 C.F.R. Sect. 433.50.

Unallowable Costs

Expenditures, such as bad debts and contributions and donations, which 2 CFR, Part 200 does not permit to be charged for federal programs. Additionally, for the purposes of Medicaid cost identification for emergency medical transportation, expenditures benefitting the non-medical emergency response and non-emergency ancillary services cost objectives are not allowable. For a complete listing of federal allowable and unallowable costs, please refer to: OMB Circular A-87 – <https://www.whitehouse.gov/omb/circulars>.

C) REPORTING REQUIREMENTS

All costs reported must be in accordance with the following:

1. SPA 19-0007. Supplemental reimbursement under this program is available only for allowable costs incurred for providing SEMT services to eligible Medicaid beneficiaries that are in excess of the payments the eligible SEMT provider receives per transport from any source of reimbursement.

- a) The allowable costs must be determined in accordance with the methodology specified under SPA 19-0007.

- b) A copy of the State Plan which includes SEMT services can be found online at: <http://dhss.alaska.gov/Commissioner/Pages/MedicaidStatePlan/default.aspx>. It is in 4.19 B.

2. Medicare cost reimbursement principles in 42 Code of Federal Regulations (CFR), Part 413 and Sections 1861 of the Federal Social Security Act (42 USC, Section 1395x), 42 CFR and the 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.

3. These cost principles are reiterated in the Centers for Medicare and Medicaid Services, 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](https://www.cms.gov/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.

4. All items and costs reported are subject to review by the Department in accordance with **INSERT REGULATION SECTION**. Such audits will be conducted to determine the extent that reported costs complies with the cost principles outlines in CMS Pub 15-1. Reported costs that do not comply with these provisions will be adjusted accordingly.

5. Allowable costs are those that are generally considered eligible for federal reimbursement based on the cost principles established in OMB Circular A-87. Allowable costs are those that are in compliance with CMS non-institutional reimbursement policy.

D) LAWS AND REGULATIONS AT A GLANCE

Federal and State Regulations – SEMT Cost Reporting Requirements

- AAC 7 **INSERT REGULATION SECTION**
- 42 C.F.R., Part 413 – Principles of reasonable costs
- Office of Management and Budget (OMB) Circular A-87 – General Principles for Determining Allowable Costs

E) ADDITIONAL CRITERIA FOR COST REPORTING

- Only costs for services provided to Medicaid beneficiaries on or after August 31, 2019, are eligible for supplemental reimbursement.
- Services rendered to patients who have coverage under both Medicare and Medicaid programs (“dually eligible patients”) are not eligible for reimbursement under this program.
- The only administrative costs incurred for billing and/or accounting services that are eligible for reimbursement are those in compliance with federal and state regulations as defined under Office of Management and Budget (OMB) Circular A-87 – General Principles for Determining Allowable Costs.

F) COST REPORT SECTIONS

Schedule	Schedule Description
General Information and Certification	Certification of SEMT Cost Report
Schedule 1	Schedule of Total Expenses
Schedule 2	Schedule of Medical Transportation Services (MTS) Expenses
Schedule 3	Schedule of Non-Medical Transportation Services (MTS) Expenses
Schedule 4	Allocation of Capital Related and Salaries & Benefits
Schedule 5	Allocation of Administrative and General
Schedule 6	Schedule of Revenues
Schedule 7	Est. Interim Payment
Schedule 8	Notes
Schedule 9	INTERNAL DEPARTMENT USE – Internal Interim Settlement
Schedule 10	INTERNAL DEPARTMENT USE – Internal Final Settlement

General Information and Certification

Complete items 1-23. 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 and the Department may subject the provider to the sanction provision noted under “Filing Deadline”.

Schedule 1 – Total Expense

This worksheet should reflect all costs incurred by the SEMT provider. No input is necessary on this schedule. All numbers will populate from other Schedules.

Schedule 2 – Medical Transportation Services (MTS) Expense

Enter the total unallocated direct expenses incurred from providing 100% ground, air, or water MTS during each shift. Do not enter expenses for multiple activities (i.e. “shared” services) as 100% MTS. These expenses must be allocated on Schedule 4. For example, for staff that respond to both MTS transports and Non-MTS transports (i.e. firefighters), salary and fringe benefit expenses for that staff must be reported in Schedule 4 as allocated costs.

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

Column 2: Enter all costs that are 100% associated with air MTS. Any costs that are not 100% air MTS or considered a “shared” cost will be input on other Schedules.

Column 3: Enter all costs that are 100% associated with water MTS. Any costs that are not 100% water MTS or considered a “shared” cost will be input on other Schedules.

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

Schedule 3 – Non-Medical Transportation Services (Non-MTS) Expense

Enter total expenses applicable to 100% Non-Medical Transportation Services.

Column 1: Enter all costs that are 100% associated with non-MTS.

Schedule 4 – Allocation of Capital Related and Salary & Benefits

Enter total shared expenses that will be apportioned between MTS and Non-MTS services.

Column 1: Enter all Capital Related and Salaries & Benefits costs that are not directly assigned to MTS and Non-MTS services.

Columns 2 thru 5: No input necessary. Information will auto-calculate.

Capital Related Allocation Statistics for Direct Service Cost Allocation table: Identify the appropriate square footage that pertain to MTS ground services, MTS air services, MTS water services, and non-MTS services.

Salaries/Benefits Allocation Statistics for Direct Service Cost Allocation table: Identify the appropriate hours spent that pertains to MTS ground services, MTS air services, MTS water services, and non-MTS services.

Schedule 5 – Allocation of Administrative and General

Enter total shared expenses for Administrative and General.

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

Columns 2 thru 5: No input necessary. Information will auto-calculate.

Allocation Statistics for Administrative and General Expense table: No input necessary. Information will auto-calculate.

Schedule 6 – Revenues/Funding Sources

Area A

Column 1: Enter Medicaid fee-for-service (FFS) revenue type.

Column 2: Enter dollar amount of ground MTS revenue received.

Column 3: Enter dollar amount of air MTS revenue received.

Column 4: Enter dollar amount of water MTS revenue received.

Column 5: Enter dollar amount of non-MTS revenue received.

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

Area B

- Column 1: Enter Other Medicaid revenue type.
Column 2: Enter dollar amount of ground MTS revenue received.
Column 3: Enter dollar amount of air MTS revenue received.
Column 4: Enter dollar amount of water MTS revenue received.
Column 5: Enter dollar amount of non-MTS revenue received.
Column 6: No input necessary. Information will auto-calculate.

Area C

- Column 1: Report all other revenue received and list funding source
Column 2: Enter dollar amount of ground MTS revenue received.
Column 3: Enter dollar amount of air MTS revenue received.
Column 4: Enter dollar amount of water MTS revenue received.
Column 5: Enter dollar amount of non-MTS revenue received.
Column 6: No input necessary. Information will auto-calculate.

Schedule 7 – Estimated Interim Settlement

- Row 1: No input necessary. Cost of direct ground MTS, air MTS, and water MTS will populate from Schedule 2.
Row 2: No input necessary. Cost of capital related and salaries & benefits will populate from Schedule 2.
Row 3a: Indicate if the provider will use an Indirect Cost Factor for MTS. Use the drop down box.
Row 3b: If the answer was “Yes”, enter the indirect cost factor. In most cases, when an Indirect Cost Factor is being applied, there should be no A&G cost allocated.
Row 3c: No input necessary. Indirect costs, if applicable, will auto-populate.
Row 4: No input necessary. Cost of admin & G will populate from Schedule 2.
Row 5: No input necessary. Grand Total of MTS Expense will auto-calculate.

Row 6a-6b: Input the number of transports for ground MTS, air MTS, and water MTS for a) Medicaid FFS services and b) all other MTS transports.
Row 7: No input necessary. Total transports will auto-calculate.
Row 8: Average cost per medical transport will be determined for each ground, air and water by dividing the applicable Grand Total of MTS Expense by the applicable Total Transports.

Row 9: No input necessary. The information will auto calculate by multiplying the applicable Medicaid FFS MTS transports by the average cost per MTS transports.
Row 10: No input necessary. The Total Medicaid FFS Revenue from MTS will auto-populate from Schedule 6.
Row 11: No input necessary. The net cost of Medicaid FFS MTS Transports will auto-calculate by subtracting the Total Medicaid FFS Revenue from MTS transports from the Total Cost of Medicaid FFS MTS Transports.
Row 12: No input necessary. The schedule utilizes an estimate of the percentage of total MTS that determined to be emergency MTS after the review process by the Fiscal Intermediary.
Row 13: The Net Cost of Medicaid Emergency MTS FFS Transports will auto-calculate by multiplying the percentage of Medicaid MTS FFS Transports by the estimated percentage of Medicaid MTS Transports that are emergency MTS transports.
Row 14: No input necessary. The schedule utilizes the Title XIX Alaska FMAP, which is what will be utilized for the interim payment calculation.
Row 15: No input necessary. The Est. Interim Federal Supplemental Payment will auto-calculate.

Schedule 8 – Notes

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

Schedule 9 – INTERNAL Interim Settlement

This schedule will not be completed by the provider. The schedule will be completed by the Department of Health and Social Services utilizing the detailed breakdown of the claims information from the Medicaid Management Information System to calculate an interim payment.

Schedule 10 – INTERIM Final Settlement

This schedule will not be completed by the provider. The schedule will be completed by the Department of Health and Social Services (DHSS) within 3 years of the submission of the cost report to calculate the final settlement. The DHSS will utilize audited cost reports and the detailed breakdown on claims information from the Medicaid Management Information System to calculate the final settlement.

FILING DEADLINE

Cost reports are due no later than 150 days after the last day of the provider's Fiscal Year. A request for an extension shall only be approved when a SEMT provider's operations are significantly and/or adversely affected due to extraordinary circumstances, which the provider has no control, such as, flood or fire. The written request must include a detailed explanation of the circumstances supporting the need for additional time and be postmarked within 150 days after the last day of the provider's applicable Fiscal Year. Filing extensions may be granted by the Department for good cause, but such extensions are made at the discretion of the Department.

An approved Provider Participation Agreement must be on file with the Department in order to file with the Department in order to file Annual Cost Reports electronically. If you do not have an approved Provider Participation Agreement on file with the Department, please contact us at AKSEMT@alaska.gov.

A signed Adobe PDF™ version of the contract, the Excel™ version of the cost report, and any supporting documentation, including but not limited to an Excel™ version of the post audit working trial balance (PAWTB) and an Excel™ version of the reconciliation of the PAWTB to the Cost Report should be submitted electronically to AKSEMT@alaska.gov.

After the Cost Report have been reviewed and accepted, the provider must maintain a copy of the signed and electronic version of the cost report and all supporting documentation.