



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 4113	Introduced on March 9, 2023
Author:	Herbkersman	
Subject:	Ambulance Assessment	
Requestor:	House Labor, Commerce, and Industry	
RFA Analyst(s):	Boggs	
Impact Date:	April 9, 2024 - Updated for Additional Agency Response	

Fiscal Impact Summary

This bill allows the Department of Health and Human Services (DHHS) to charge every ambulance service, as defined in this bill, a uniform ambulance assessment fee. DHHS shall establish each ambulance service's fee amount using the best data available as determined by the department in consultation with the South Carolina EMS Association and shall update each ambulance service's fee amount on a periodic basis, but at least annually, as updated information becomes available. Additionally, DHHS may impose a penalty of up to 5.0 percent of the fee for any ambulance service that fails to pay the fee within the time required by DHHS for each month, or fraction of a month, that the fee is overdue. If a fee has not been received by DHHS within department timelines, DHHS may withhold an amount equal to the overdue fee and any penalty imposed by the department from any payments due to the ambulance service. Further, this bill creates the Ambulance Fee Trust Fund (AFTF) in the State Treasurer's Office (STO). Also, if the Centers for Medicare and Medicaid Services does not authorize or withdraws approval of the Medicaid payments made to ambulance services or DHHS no longer collects the fee, all monies in the fund shall be returned to ambulance services.

This bill will have no expenditure impact for STO as the agency anticipates that any costs associated with establishing the AFTF can be managed with existing staff and appropriations.

This bill would require DHHS to hire two additional staff to implement processes and procedures for assessing fees to ambulance service providers along with anticipated one-time systems-related costs.

DHHS anticipates this bill will result in an increase of expenses totaling \$229,800 in FY 2024-25 \$177,300 each year thereafter. DHHS anticipates the need for 2.0 FTEs, a Senior Fiscal Analyst with a salary of \$65,00 and fringe of \$28,000 and a Fiscal Analyst with a salary of \$54,000 and a fringe of \$23,00. DHHS also anticipates needing to add additional duties for one existing staff member resulting in a salary increase of \$5,400 and associated fringe benefits of \$1,900. These salary and fringe benefits expenses will result in a total General Fund expense increase of \$88,650 and Federal Funds expense increase of \$88,650. Further, DHHS anticipates an increase of \$52,500 in one-time operating expenses, \$26,250 of which will be General Funds and \$26,250 will be Federal Funds, for system related modifications and the purchase of laptops for the 2.0

new FTEs. DHHS anticipates requesting an increase in General Fund appropriations to cover these costs.

This bill requires DHHS to establish and charge private ambulance services providers an ambulance assessment fee and penalize the providers that do not pay the assessed fees. These fees will be held in an established AFTF and will be used solely for supplemental Medicaid payments for ambulance services. The assessment fees would be used as the State match funds to draw down the federal dollars for the supplemental payments. Private ambulance service providers that only provide emergency ambulance services (basic life support) would be the only class of provider assessed the fee and the only class of provider receiving the supplemental payment. According to DHHS, based on initial information provided by the SC EMS Association and Sellers Dorsey utilizing 2020 Medicare and SC EMS data, 27 private providers may be subject to this new assessment. The initial analysis only included private ambulance service providers under two procedure codes and only those providers that had a higher volume of the calls. The analysis estimated \$3,000,000 would be generated in Other Funds revenue annual assessments which would also generate an additional \$7,000,000 in Federal Funds revenue beginning in FY 2024-25.

This impact statement has been updated to include a response from DHHS.

Explanation of Fiscal Impact

Updated for Additional Agency Response on April 9, 2024

Introduced on March 9, 2023

State Expenditure

This bill allows DHHS to charge every ambulance service, defined in this bill, a uniform ambulance assessment fee. The fee must equal the product of the ratio of the ambulance service's net revenue to all ambulance services' net revenue statewide multiplied by the total ambulance service assessment amount. DHHS shall establish each ambulance service's fee amount using the best data available as determined by the department in consultation with the South Carolina EMS Association and shall update each ambulance service's fee amount on a periodic basis, but at least annually, as updated information becomes available. Additionally, DHHS may impose a penalty of up to 5.0 percent of the fee for any ambulance service that fails to pay the fee within the time required by DHHS for each month, or fraction of a month, that the fee is overdue. If a fee has not been received by DHHS within department timelines, DHHS may withhold an amount equal to the overdue fee and any penalty imposed by the department from any payments due to the ambulance service. This bill also creates the AFTF in STO from the revenue generated from the assessment fees. The amounts in the fund must be provided to the department solely for Medicaid payments to ambulance services and must not be expended for any other purpose. If the Centers for Medicare and Medicaid Services does not authorize or withdraws approval of the Medicaid payments made to ambulance services or DHHS no longer collects the fee, all monies in the fund shall be returned to ambulance services.

State Treasurer's Office. STO anticipates that any costs associated with establishing the AFTF can be managed with existing staff and appropriations. Therefore, this bill will have no expenditure impact for STO.

Department of Health and Human Services. DHHS anticipates the need to hire two additional staff to implement processes and procedures for assessing fees to ambulance service providers along with anticipated one-time systems-related costs. DHHS anticipates the need for 1.0 FTE, a Senior Fiscal Analyst with a salary of \$65,000 and fringe of \$28,000, and 1.0 FTE, a Fiscal Analyst with a salary of \$54,000 and fringe of \$23,000. DHHS also anticipates needing to add additional duties for one existing staff member resulting in a salary increase of \$5,400 and associated fringe benefits of \$1,900. These salary and fringe benefits expenses will result in a total a General Fund expense increase of \$88,650 and a Federal Funds expense increase of \$88,650. Further, DHHS anticipates an increase of \$52,500 in one-time operating expenses, \$26,250 of which will be General Funds and \$26,250 will be Federal Funds. Therefore, DHHS anticipates this bill will increase expenses by \$229,800 in FY 2024-25, of which \$114,900 is General Fund expenses and \$114,900 is Federal Funds expenses. Additionally, this bill will increase General Fund and Federal Fund expenses each by \$88,650 beginning after FY 2024-25. DHHS anticipates requesting a General Fund appropriation increase to cover these expenses.

This section has been updated to include a response from DHHS.

State Revenue

This bill requires DHHS to establish and charge private ambulance services providers an ambulance assessment fee and penalize the providers that do not pay the assessed fees. These fees will be held in an established AFTF and will be used solely for supplemental Medicaid payments for ambulance services. The assessment fees would be used as the State match funds to draw down the federal dollars for the supplemental payments. Private ambulance service providers that only provide emergency ambulance services (basic life support) would be the only class of provider assessed the fee and the only class of provider receiving the supplemental payment. According to DHHS, based on initial information provided by the SC EMS Association and Sellers Dorsey utilizing 2020 Medicare and SC EMS data, 27 private providers may be subject to this new assessment. The initial analysis only included private ambulance service providers under two procedure codes and only those providers that had a higher volume of the calls. The analysis estimated \$3,000,000 would be generated in Other Funds revenue annual assessments which would also generate an additional \$7,000,000 in Federal Funds revenue.

This section has been updated to include a response from DHHS.

Local Expenditure

N/A

Local Revenue

N/A

Introduced on March 9, 2023

State Expenditure

This bill allows DHHS to charge every ambulance service a uniform ambulance assessment fee. The fee must equal the product of the ratio of the ambulance service's net revenue to all ambulance services' net revenue statewide multiplied by the total ambulance service assessment amount. DHHS shall establish each ambulance service's fee amount using the best data available as determined by the department in consultation with the South Carolina EMS Association and shall update each ambulance service's fee amount on a periodic basis, but at least annually, as updated information becomes available. Additionally, DHHS may impose a penalty of up to five percent of the fee for any ambulance service that fails to pay the fee within the time required by DHHS for each month, or fraction of a month, that the fee is overdue. If a fee has not been received by DHHS within department timelines, DHHS may withhold an amount equal to the overdue fee and any penalty imposed by the department from any payments due to the ambulance service. This bill also creates the AFTF in STO from the revenue generated from the assessment fees. The amounts in the fund must be provided to the department solely for Medicaid payments to ambulance services and must not be expended for any other purpose. If the Centers for Medicare and Medicaid Services does not authorize or withdraws approval of the Medicaid payments made to ambulance services or DHHS no longer collects the fee, all monies in the fund shall be returned to ambulance services.

State Treasurer's Office. STO anticipates that any costs associated with establishing the AFTF can be managed with existing staff and appropriations. Therefore, this bill will have no expenditure impact for STO.

Department of Health and Human Services. This fiscal impact is pending, contingent upon a response from DHHS.

State Revenue

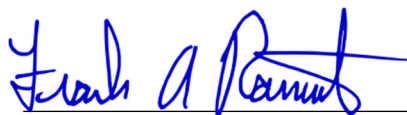
As this bill allows DHHS to charge every ambulance service a uniform ambulance assessment fee this bill, this bill will result in an increase to Other Funds. This Other Funds revenue impact is pending, contingent upon a response from DHHS.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director