



1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Department for Medicaid Services

3 Division of Fiscal Management

4 (New Administrative Regulation)

5 907 KAR 3:062. Public Ground Ambulance Supplemental Payment Program.

6 RELATES TO: KRS 45.229, 194A.030(2), 2 C.F.R. 200.413, 2 C.F.R. 200.414, 42 C.F.R.

7 400.203, 413, 45 C.F.R. 75.413, 75.414, 42 U.S.C. 1396a

8 STATUTORY AUTHORITY: KRS 194A.050(1), 205.520(3), 205.560(1), 205.5604,

9 42 C.F.R. 431.53, 433.50, 433.51, 438.6c, 42 U.S.C. 1396a

10 NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family  
11 Services, Department for Medicaid Services, has responsibility to administer the Medicaid  
12 program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with a  
13 requirement that may be imposed, or opportunity presented, by federal law to qualify for federal  
14 funds. KRS 205.5604 requires the department to promulgate an administrative regulation to  
15 implement a cost-based directed payment program for public ground ambulance providers. This  
16 administrative regulation establishes the requirements for implementing the ambulance  
17 supplemental payment program for ground ambulance providers.

18 Section 1. Definitions. (1) "Department" means the Department for Medicaid Services or its  
19 designee.

20 (2) "Direct cost" is defined by 2 C.F.R. 200.413 and 45 C.F.R. 75.413.

21 (3) "Federal financial participation" is defined by 42 C.F.R. 400.203.

(4) "Government owned or operated ambulance provider" is established pursuant to 42 C.F.R. 433.50.

(5) "Indirect cost" is defined by 2 C.F.R. 200.414 and 45 C.F.R. 75.414.

(6) "Intergovernmental transfer" means any transfer of money by or on behalf of a public agency for purposes of qualifying funds for federal financial participation in accordance with 42 C.F.R. 433.51.

(7) "Medicaid" means the state program of medical assistance as administered by the Cabinet for Health and Family Services in compliance with 42 U.S.C. sec. 1396.

(8) "MMIS" means the Medicaid Management Information System or its successor program.

(9) "Program year" means the calendar year during which supplemental payments and intergovernmental payments are made.

Section 2. Public Ground Ambulance Supplemental Payment Program. Prior to the program year, the department shall calculate a statewide average uniform per trip cost for transports provided by eligible government owned or operated, or special taxing district based, emergency medical transportation services that have opted in to this voluntary program.

(1) For each quarter in a program year, the department shall calculate a quarterly Medicaid managed care payment to each qualifying government owned or operated emergency ambulance provider by:

(a) Computing the total allowable costs for providing medical transportation services based on the statewide average cost per trip multiplied by each provider's eligible trips.

(b) Utilizing MMIS managed care encounter data to be requested ninety (90) days after the quarter ends.

(c) Deducting any existing claims payments or other state directed payment amounts.

1 (2) The department shall submit to each Medicaid managed care organization a listing of the  
2 quarterly Medicaid managed care supplemental payments that the Medicaid managed care  
3 organization shall make to each eligible government owned or operated ambulance provider.

4 (3) Each Medicaid managed care organization shall remit to each government owned or  
5 operated ambulance provider, as directed by the department, the quarterly Medicaid managed care  
6 supplemental payment within ten (10) business days of receipt of the quarterly supplemental  
7 payment transfer.

8 (4) On a quarterly basis, within fifteen (15) days of receiving quarterly managed care payments,  
9 each eligible government owned or operated ambulance provider shall transfer an  
10 intergovernmental transfer to the department in accordance with 42 C.F.R. 433.51.

11 (5) If an intergovernmental transfer is not received in a timely manner, the department may  
12 consider the provider to be ineligible to participate in future periods.

13 Section 3. Reporting Requirements.

14 (1) By November 30 of each program year, a government owned or operated ground ambulance  
15 provider shall submit a completed cost report. An extension may be granted on a temporary and  
16 case-by-case basis, not to exceed thirty (30) days, following a written request detailing the exigent  
17 circumstances that prevented the timely filing of the completed cost report.

18 (2)(a) If a completed cost report and supporting documentation is not received by November  
19 30, and an extension has not been requested and approved by the department, the department may  
20 deny or withhold future quarterly supplemental payments until a complete cost report is submitted.

21 (b) If a provider is sanctioned pursuant to paragraph (a) of this subsection, the provider shall  
22 be ineligible to participate in the next program year.

Section 4. Access to Supporting Records. A government owned or operated ground ambulance provider shall maintain and make available, upon request, any records and data necessary to justify and document:

(a) Cost report amounts submitted in accordance with Section 2;

(b) Resolution of a supplemental payment that the government owned or operated ground ambulance provider suspects is in error; or

(c) Quality metrics necessary for program reporting to the Centers for Medicare and Medicaid Services.

Section 5. Appeal Rights. An appeal of a department decision regarding quarterly payments shall be in accordance with 907 KAR 1:671.

Section 6. Federal Approval and Federal Financial Participation. The department's coverage of services pursuant to this administrative regulation shall be contingent upon:

(1) Receipt of federal financial participation for the coverage; and

(2) Centers for Medicare and Medicaid Services' approval for the coverage.

907 KAR 3:062

REVIEWED:

8/1/2025  
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Date

DocuSigned by:  
*Lisa Lee*  
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Lisa D. Lee, Commissioner  
Department for Medicaid Services

APPROVED

8/1/2025  
\_\_\_\_\_  
Date

Signed by:  
*Stephen Stack*  
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Stephen J. Stack, M.D., MBA, Secretary  
Cabinet for Health and Family Services

#### PUBLIC HEARING AND PUBLIC COMMENT PERIOD:

A public hearing on this administrative regulation shall, if requested, be held on November 24, 2025, at 9:00 a.m. using the CHFS Office of Legislative and Regulatory Affairs Zoom meeting room. The Zoom invitation will be emailed to each requestor the week prior to the scheduled hearing. Individuals interested in attending this virtual hearing shall notify this agency in writing by November 17, 2025, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who attends virtually will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on this proposed administrative regulation through November 30, 2025. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to the contact person. Pursuant to KRS 13A.280(8), copies of the statement of consideration and, if applicable, the amended after comments version of the administrative regulation shall be made available upon request.

CONTACT PERSON: Krista Quarles, Policy Analyst, Office of Legislative and Regulatory Affairs, 275 East Main Street 5 W-A, Frankfort, KY 40621; Phone: 502-564-7476; Fax: 502-564-7091; CHFSregs@ky.gov.

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

907 KAR 3:062: Public Ground Ambulance Supplemental Payment Program.

Agency Contact: Jonathan Scott

Phone Number: (502) 564-4321

Email: JonathanT.Scott@ky.gov

Contact Person: Krista Quarles

Phone Number: (502) 564-7476

Email: CHFSregs@ky.gov

Subject Headings: Emergency Medical Services; Health and Medical Services; Medicaid; Medical Transportation; Paramedics

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the public ground ambulance supplemental payment program established pursuant to HB 152 of the 2025 Regular Session and codified in KRS 205.5604.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish and implement the public ground ambulance supplemental payment program.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of the authorizing statute by establishing the Medicaid program processes relating to the public ground ambulance supplemental payment program.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists with the effective administration of the statutes by establishing the Medicaid program coverage provisions and requirements regarding the Public Ground Ambulance Supplemental Payment Program.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This is a new administrative regulation.

(b) The necessity of the amendment to this administrative regulation: This is a new administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is a new administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is a new administrative regulation.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? Yes, HB 152 of the 2025 Regular Session.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: DMS estimates that up to 130 publicly operated or owned ground ambulance providers may participate in this program.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment: Public ground ambulance providers will be required to provide a cost report to the department and make an intergovernmental transfer payment in order to be eligible to participate in the supplemental payment program.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): DMS does not anticipate additional costs as a result of this amendment.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4): Entities will be able to participate in the ground ambulance supplemental payment program.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: DMS does not anticipate costs beyond those allocated to DMS pursuant to the statute.

(b) On a continuing basis: DMS does not anticipate costs beyond those allocated to DMS pursuant to the statute.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Sources of funding to be used for the implementation and enforcement of this administrative regulation are federal funds authorized under Title XIX and Title XXI of the Social Security Act, and state matching funds of general and agency appropriations.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This administrative regulation will not require an increase in fees or funding.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation neither establishes nor increases any fees.

(10) TIERING: Is tiering applied? Tiering is not applied.



## FISCAL IMPACT STATEMENT

Administrative Regulation: 907 KAR 3:062. Public Ground Ambulance Supplemental Payment Program.

Contact Person: Jonathan Scott

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Email: JonathanT.Scott@ky.gov

Contact Person: Krista Quarles

Phone Number: (502) 564-7476

Email: CHFSregs@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 194A.050(1), 205.520(3), 205.560(1), 42 C.F.R. 431.53, 433.50, 433.51, 438.6c, 42 U.S.C. 1396a

(2) Identify the promulgating agency and any other affected state units, parts, or divisions: Cabinet for Health and Family Services, Department for Medicaid Services, Division of Fiscal Administration

(a) Estimate the following for the first year:

Expenditures: DMS does not anticipate additional expenditures beyond those allocated in the statute.

Revenues: DMS does not anticipate revenues.

Cost Savings: DMS does not anticipate cost savings.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? DMS does not anticipate additional expenditures beyond those allocated in the statute. DMS does not anticipate revenues or costs savings as a result of this program in subsequent years.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts): Cities, counties, or other districts that operate a public ground ambulance provider.

(a) Estimate the following for the first year:

Expenditures: Public ground ambulance providers will be required to remit an intergovernmental transfer in order to be eligible for a supplemental payment.

Revenues: Public ground ambulance providers will be eligible for a supplemental payment that is calculated based on a statewide average add-on per ambulance transport.

Cost Savings: Cost savings are not expected.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? An annual process will determine the amount of the expenditures and revenues to be expected by the local entity.

(4) Identify additional regulated entities not listed in questions (2) or (3): N/A

(a) Estimate the following for the first year:

Expenditures: DMS does not anticipate additional expenditures as a result of this amendment.

Revenues: DMS does not anticipate additional revenues as a result of this amendment.

Cost Savings: DMS does not anticipate cost savings as a result of this amendment.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? DMS does not anticipate additional expenditures, revenues, or costs savings as a result of this amendment in subsequent years.

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation: DMS anticipates no additional costs beyond those allocated pursuant to 2025 House Bill 152.

(b) Methodology and resources used to determine the fiscal impact: Research, input, and analysis provided by a working group of departmental staff, local entities, and consultants associated with the department and the local ambulance providers.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate) This administrative regulation will not have a major economic impact – as defined by KRS 13A.010 – on regulated entities.

(b) The methodology and resources used to reach this conclusion: Research, input, and analysis provided by a working group of departmental staff, local entities, and consultants associated with the department and the local ambulance providers.

## FEDERAL MANDATE ANALYSIS COMPARISON

Administrative Regulation: 907 KAR 3:062. Public Ground Ambulance Supplemental Payment Program.

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(1) Federal statute or regulation constituting the federal mandate. 42 C.F.R. 431.53, 433.50, 433.51, 438.6c, 42 U.S.C. 1396a

(2) State compliance standards. KRS 205.520(3)

(3) Minimum or uniform standards contained in the federal mandate. 42 C.F.R. 431.53 establishes requirements for supplemental payment programs.

(4) Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate?  
The administrative regulation does not impose stricter than federal requirements.

(5) Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements. The administrative regulation does not impose stricter than federal requirements.