



June 3, 2019

The Honorable Richard Pan
State Capitol, Room 5114
Sacramento, CA 95814

Re: AB 1705 (Bonta) Medi-Cal: Emergency Medical Transportation Services – SUPPORT

Dear Senator Pan:

On behalf of Cosumnes Community Services District, we are writing to respectfully request that you support AB 1705 by Assemblymember Rob Bonta. AB 1705 would create a new Inter-Governmental Transfer (IGT) program for public emergency medical transportation providers that ensures equity in how public and private providers of emergency medical transportation services are able to leverage federal funds.

AB 1705 is intended to correct an unforeseen consequence of SB 523 (Hernandez) [*Chapter 773, Statutes of 2017*]. SB 523 established a Quality Assurance Fee (QAF), essentially a provider tax, on both public and private providers of emergency medical transport services (EMS) to leverage federal Medicaid funds and thus general net additional revenue to ensure adequate reimbursement for EMS services. At the time SB 523 was considered and ultimately approved by the Legislature and the Administration, public providers of EMS believed that the QAF would result in a net revenue gain. However, once the Department of Health Care Services (DHCS) began modeling the actual impact of the QAF, it soon became evident that a number of public agencies, primarily fire districts, would suffer actual net losses of revenue.

Representatives of California Fire Chiefs Association (CFCA)/ Fire Districts Association of California (FDAC) have had numerous discussions with DHCS and stakeholders to assess the impact of the QAF and consider options on how best to proceed. Our goals are that public agencies avoid suffering an actual net loss in revenues and ensuring that private EMS service providers are held harmless from the enactment of any subsequent legislation. AB 1705 achieves those goals.

AB 1705 thus exempts public EMS providers from the QAF and establishes a new Inter-Government Transfer program to enable public EMS providers to leverage additional federal dollars in addition to that which would be authorized under the existing QAF.

AB 1705 will eliminate any losers on the public side and provide for all participants to receive additional funds – not actual losses. AB 1705 will make whole the providers on the public side without harm to the private sector. We would also like to note that AB 1705 will have no impact on the General Fund.

AB 1705 is similar to legislation CFCA/FDAC sponsored last year, AB 2118 (Cooley), which had no opposition and was approved by the Assembly 78-0 on May 29, 2018. However, at the request of the DHCS, AB 2118 was dropped so that further discussions could be held to incorporate language that would address their administrative requirements, including the creation of a new IGT. AB 1705 is a result of those discussions.

For the reasons stated above, we respectfully ask for your support for AB 1705.

Respectfully,

A handwritten signature in black ink that reads "Joshua Green". The signature is written in a cursive, flowing style.

Joshua Green, General Manager

cc: Cosumnes CSD Board of Directors