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## **Administrative Bulletin 23-05**

### **101 CMR 324.00: Nonpublic Ambulance Service Reimbursement Trust Fund Assessment and Funding**

**Effective March 13, 2023**

#### **Nonpublic Ambulance Assessed Charges**

#### **Introduction**

As provided in 101 CMR 324.01(2), the Executive Office of Health and Human Services (EOHHS) is issuing this administrative bulletin to clarify provider questions about the nonpublic ambulance assessment, including questions about the types of revenue that must be reported.

#### **Massachusetts Revenue**

The ambulance assessment is assessed on Nonpublic Emergency Ambulance Assessed Charges. 101 CMR 324.02 defines “Nonpublic Emergency Ambulance Assessed Charges” to be Massachusetts gross patient service revenue earned from all patients attributable to emergency ground ambulance service, less bad debt, charity care, or payer discounts. Massachusetts gross patient service revenue includes any patient revenue for emergency ground ambulance transportation with both a pick-up and drop-off location in Massachusetts. Conversely, any revenue for ground emergency ambulance transportation with both pick-up and drop-off locations outside of Massachusetts is excluded from the assessment.

For interstate transportation (transportation between Massachusetts and another state), the provider should reasonably allocate revenue between the two states. If the provider has an existing methodology that apportions revenue between the states (for example, for taxes allocated between the states), they can use that methodology so long as approximately half of revenue for interstate transportation between Massachusetts and another state is allocated to Massachusetts. If this is not applicable (for example, not for profit/nontaxable), providers should report based on the pick-up location, such that revenue for applicable pick-ups in Massachusetts would be included in the assessment, and revenue for pick-ups outside of Massachusetts would be excluded.

## Reporting of Bad Debt, Charity Care, or Payer Discounts

As stated on the previous page, 101 CMR 324.02 defines “Nonpublic Emergency Ambulance Assessed Charges” to include Massachusetts gross patient service revenue earned from all patients for emergency ground ambulance service, less bad debt, charity care, or payer discounts.

In reporting revenue, providers should report bad debt, charity care, or payer discounts separately only if they reported that corresponding amount in their gross patient service revenue for emergency ground ambulance service. Bad debt, charity care, or payer discounts should not be reported if it relates to out-of-state or non-emergency transportation, or if it was otherwise already netted out of the revenue.

For example,

If a provider	then
<ul style="list-style-type: none"><li>• charged \$100,000 for Massachusetts emergency ground ambulance service,</li><li>• was paid \$60,000 for this, and</li><li>• wrote off \$40,000 for bad debt or payer discounts relating to Massachusetts emergency ground ambulance service</li></ul>	the provider could report revenue in either of two ways: 1) Report \$60,000 in patient service revenue; or 2) Report \$100,000 in patient service revenue and \$40,000 in bad debt or payer discounts.

Providers may not report the revenue already netting out bad debt, charity care, or payer discounts and then separately report bad debt, charity care, or payer discounts. In other words, the provider in this example may not report \$60,000 in patient revenue and then separately report \$40,000 in bad debt, because this would be effectively double-counting the bad debt.

## Scope of Ambulance Assessment

101 CMR 324.04(2) states that the assessment is applicable to nonpublic ambulance providers. “Nonpublic Ambulance Provider” is defined in 101 CMR 324.01 to include any “Ambulance provider licensed pursuant to M.G.L. c. 111C, § 6 that is not a city or town, county, district, or other governmental body.” By its own terms, this definition includes nonprofit ambulance providers unless they are a governmental body. Note: this definition is not a policy clarification, but rather a restatement of the relevant regulatory provision.

## Recordkeeping Requirements

Any revenue reported to EOHHS may be subject to future audit. Providers are required to keep records in support of any revenue information submitted relating to the assessment.

## Recent CMS Guidance Regarding Health Care-Related Taxes and Hold Harmless Arrangements

Please be aware that the Centers for Medicare and Medicaid Services (CMS) issued an [Informational Bulletin](#) on February 17, 2023, reiterating certain federal requirements that pertain to health care-related taxes such as the nonpublic ambulance assessment, including that providers may not be held harmless. This Informational Bulletin includes specific examples of prohibited hold harmless arrangements. EOHHS encourages providers to review this [Informational Bulletin](#).

## **Updates**

If providers need to update submissions based on this guidance, they should send the update to EOHHS by 5:00 p.m. on Wednesday, March 22, 2023. Email documents to Martura Amato at [Martura.Amato@mass.gov](mailto:Martura.Amato@mass.gov). Report Massachusetts emergency ground ambulance revenue on Attachment A. If an updated submission is necessary, EOHHS will provide additional time to pay the related assessment.