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Texas' Ambulance Services Supplemental Payment Program Did Not Comply With Federal and State Reimbursement Requirements

Why OIG Did This Audit

- As part of the Texas Healthcare Transformation and Quality Improvement Program 1115 demonstration waiver, Texas established the Ambulance Services Supplemental Payment Program (ASSPP), which provides Medicaid payments to governmental ambulance providers. These payments are made from an uncompensated care pool to help defray the costs of charity care.
- From Federal fiscal years (FYs) 2012 through 2021, the number of ambulance providers receiving ASSPP payments increased from 7 to 80.
- For FY 2021, four ambulance providers received \$24 million, or 42 percent, of all ASSPP Federal funds paid to ambulance providers in Texas.
- This audit determined whether the State agency's claim for Federal reimbursement for ASSPP payments for selected ambulance providers complied with Federal and State requirements.

What OIG Found

- We found that Texas' claims for Federal reimbursement for ASSPP payments for three of the four selected ambulance providers did not comply with Federal and State requirements. Specifically, in the cost reports of the selected ambulance providers, we identified an adjustment error in one ambulance provider's ASSPP cost report. Additionally, we identified unallowable and potentially unallowable costs in three ambulance providers' ASSPP cost reports.

What OIG Recommends

We recommended that Texas (1) require training for all individuals that certify ASSPP cost reports on how to review for accuracy and (2) revise its policies and procedures to require ambulance providers to submit sufficient documentation that allows the State agency to determine whether costs claimed on ASSPP cost reports are related to the provision of contracted patient care.

Texas agreed with both of our recommendations and detailed steps it plans to take to address them.