

FAQ: Medicaid Surety Bonds for Ambulance Providers

Effective September 1, 2013, ambulance providers that participate in Texas Medicaid fee-for-service, Texas Medicaid managed care, or the Children's Health Insurance Program (CHIP) must, as a condition of enrollment or re-enrollment, obtain a surety bond that complies with 1 TAC §352.15 for each Medicaid-enrolled location.

Effective January 1, 2014, currently enrolled Texas Medicaid ambulance providers must provide a surety bond to TMHP prior to renewing their Emergency Services (EMS) license, in compliance with Health and Safety Code Sec. 773.05711. A surety bond is required for each EMS license being renewed.

The surety bond(s) must be submitted to the Texas Medicaid & Healthcare Partnership (TMHP) in accordance with the requirements established in the original article titled "[Medicaid Surety Bond Requirements for Ambulance Providers](#)," which was posted to this website on August 8, 2013; and "[Update to 'Medicaid Surety Bonds for Ambulance Providers'](#)," which was published on this website on November 27, 2013.

Important: *A copy of the bond must be submitted to the Texas Department of State Health Services (DSHS) with an EMS provider license application at the time of license renewal. This bond requirement is in addition to any DSHS required fees as conditions of licensure.*

1. Who do I contact for more information about the requirements for renewing my license as an EMS ambulance provider?

Providers can refer to the EMS Provider Licensing web page on the DSHS website at www.dshs.state.tx.us/emstraumasystems. There is a link on the left side of the page titled "EMS Providers Forms" which contains information about license renewal.

2. I am an Ambulance provider who has been in business 10 years; when am I required to have the surety bond?

Currently-enrolled Texas Medicaid providers are required to submit one surety bond to TMHP at the time of renewal of an EMS provider license (if renewal of an EMS provider license occurs prior to Medicaid re-enrollment), and one surety bond per Medicaid-enrolled location when they re-enroll as a Texas Medicaid provider.

3. I am a provider, and I renewed my provider license in June 2013. When will I be required to have a surety bond?

A surety bond will be required for each Medicaid-enrolled location when a provider re-enrolls in Texas Medicaid. If a provider's license will expire prior to Medicaid re-enrollment, then one surety bond will be required when a Medicaid-enrolled provider applies to renew an EMS provider license.

4. Has the re-enrollment process been scheduled for existing Texas Medicaid providers?

All Medicaid providers are required to re-enroll with Medicaid in order to comply with the requirements of the Affordable Care Act (ACA). A timeframe for re-enrollment of existing providers has not been scheduled. Providers should continue to monitor notifications for further details about re-enrollment.

5. What is the estimated cost of a surety bond?

The cost is based on the company's credit score and other variables. Providers can consult a bonding company for specific details about the cost of the surety bond.

6. The most recent provider notification related to the surety bond indicates that a surety bond is required as of January 1, 2014, for all providers. Is that correct?

Any new provider that is joining Texas Medicaid, or any existing Medicaid-enrolled provider who is completing Medicaid re-enrollment, on or after September 1, 2013 is required to provide a surety bond for each Medicaid-enrolled location. Any existing Texas Medicaid-enrolled provider who renews an EMS license on or after January 1, 2014 (prior to completing Medicaid re-enrollment), must submit a single surety bond in the amount of \$50,000 to TMHP at the time of license renewal. A copy of the bond must also be included with their application for license renewal that is submitted to DSHS.

Letter of Credit

EMS providers are required to provide a Letter of Credit from a federally-insured bank or saving institution of their choice when applying to renew their EMS provider license. Providers are not required to provide a copy of this letter to TMHP.

7. Which state department oversees the surety bond and Letter of Credit?

DSHS is the state department that oversees the surety bond and Letter of Credit. The application to renew the EMS provider license must be submitted to DSHS along with the following documents:

- The Letter of Credit
- A copy of the surety bond.

Note: *If a provider is renewing an existing license, the surety bond must be submitted to TMHP before submitting the EMS license renewal application to DSHS. If a provider is completing Medicaid enrollment or re-enrollment, one surety bond per location must be submitted to TMHP. Providers are not required to provide a copy of the Letter of Credit to TMHP.*

8. Is there a cost associated with obtaining a Letter of Credit?

Costs associated with obtaining a Letter of Credit are determined by the policy of the federally-insured bank or saving institution that issues the Letter of Credit. Some institutions provide a Letter of Credit at the EMS provider's request, while others require the provider to complete a credit application. Providers must check with their financial institution for details.

9. I am a provider, and I renewed my provider license in June 2013. When will I be required to provide a Letter of Credit?

The EMS provider is required to submit a Letter of Credit to DSHS at the time the provider submits an application for license renewal. The Letter of Credit must be submitted as follows:

- a) \$100,000 for the initial EMS license and for the next 2 renewal anniversaries.
- b) \$75,000 on the fourth anniversary of the initial license renewal.
- c) \$50,000 on the sixth anniversary of the initial license renewal.
- d) \$25,000 on the eighth anniversary of the initial license renewal.

A letter of credit is not required after the eighth anniversary of the initial license renewal. Providers are not required to provide a copy of the Letter of Credit to TMHP.

10. Who should I contact if I have additional questions about EMS provider license renewal or Letters of Credit?

Providers who have questions regarding EMS provider license renewal or Letters of Credit may contact the DSHS at 512-834-6700.