



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#16-1390

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: November 15, 2016

TITLE: Motion to Approve Business Associate Agreement and Contract for
Proprietary Purchase of Public Emergency Medical Transports Medicaid
Program, Consulting Services and Revenue Recognition Process –
Advanced Data Processing, Inc. d/b/a Intermedix - \$233,080

Recommendation

It is recommended that the City Commission approve a Business Associate Agreement and a 27-month contract, in substantially the forms attached, for the proprietary purchase of Public Emergency Medical Transports (PEMT) Medicaid Program, Consulting Services and Revenue Recognition Process from Advanced Data Processing, Inc. d/b/a Intermedix in the estimated amount of \$233,080; and authorize the City Manager to approve one, one-year renewal option.

Background

The Florida Fire Chiefs Association has been working with the Agency for Health Care Administration (AHCA) to develop a program for Florida jurisdictions providing 911 emergency transport services. The funding initiative is called the PEMT, which was recently approved as a State Plan Amendment by AHCA in cooperation with the Centers for Medicaid and Medicare Services (CMS), the federal agency responsible for the Medicaid Program.

All governmental (publicly funded) entities providing emergency medical service (EMS) transports may participate in this program. The program provides supplemental payments for an eligible PEMT entity that meets specified requirements and provides emergency medical transportation to medicaid patients.

The PEMT program will reimburse a portion of Fort Lauderdale Fire Rescue medicaid fee-for-service costs which includes the dates between July 1st and June 30th annually. Due to the initial delay in the final State Plan Amendment approval, the initial filing period will be for October 1, 2015 to June 30, 2016.

AHCA recently established the Florida PEMT as a Certified Public Expenditure (CPE) Program, designed to reimburse providers based on their actual costs of providing emergency medical services to medicaid-eligible patients. The reimbursement payment

is based on claiming federal financial participation on CPEs that have already been incurred by the public provider. Currently, Medicaid payment rates for ambulance services do not recognize the actual cost of providing the services. The average medicaid payment to Fort Lauderdale Fire-Rescue is approximately \$182 per eligible transport. Based on an assumed cost per eligible transport of \$792, there is an estimated unfunded portion of \$610 per transport for medicaid patients. The actual cost per transport will be determined after AHCA submission and review.

Participation in the PEMT program will require submission of an annual cost report to AHCA. AHCA will review the cost report data and provide CMS with a recommended reimbursement for eligible medicaid transports. The Federal Medical Assistance percentage will be applied to the difference between the current medicaid transport revenues and the eligible costs to determine the qualified cost recoveries to be reimbursed to the City.

The basis for the CPE program is found in federal regulation under 42 CFR 433.51, which establishes the authority for states to submit to the federal government CPEs for the delivery of specific health care services (of which EMS is one) to medicaid patients. In order to effectuate this cost recovery program, it is recommended that the City approve this contract to allow Intermedix to administer the PEMT program on behalf of the City. There are no application fees or direct costs for participation in this program. There is a contingency fee of 12% of net reimbursements that have been agreed upon between the City and Intermedix and included in the proposed contract.

By participating in the PEMT program with Intermedix, staff estimates reimbursements totaling \$1,553,861 over the contract term (\$690,605 annually). The actual reimbursement (revenue) associated with these transports will be determined by the appropriate state and federal entities.

Pursuant to Section 2-189(a), Code of Ordinances of the City of Fort Lauderdale, Florida, the City may purchase proprietary items without the necessity of public bids. Section 2-173 Code of Ordinances of the City of Fort Lauderdale, Florida defines a proprietary item as a material or service that is not readily subject to competition or when time is of the essence. To this effect, and to ensure participation in the PEMT Medicaid Program, the City must transmit the required data to the State by November 30, 2016. Should the City miss this deadline, it may lose the opportunity of receiving additional revenue being offered by the federal government. Intermedix currently handles the City's medicaid billing, making it possible to implement the service in the timeframe required by the federal government.

Resource Impact

There will be a current year fiscal impact (cost) to the City in the amount of \$103,591. There will also be a positive fiscal impact (revenue) of \$690,605 for FY 2017, as detailed in the second box below.

Funds available as of November 2, 2016					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
001-FIR030101-3113	Fire-Rescue Support	Services & Materials/ Finance and Bank Services	\$3,034,960	\$2,517,803	\$103,591
TOTAL AMOUNT ►					\$103,591

Funds available as of November 2, 2016					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AMOUNT RECEIVED (Character)	AMOUNT
001-FIR030101-J130	Fire-Rescue Support	Charges for Service/ Fire/ Rescue Transport Fees	\$9,754,813	\$751,950	\$690,605
TOTAL AMOUNT ►					\$690,605

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Public Safety Cylinders of Excellence, specifically advancing:

- Goal 9: Be the safest urban coastal City in South Florida through preventative and responsive police and fire protection.
- Objective 2: Provide quick and exceptional fire, medical, and emergency response.
- Initiative 2: Remain on the leading edge of advance, pre-hospital medical interventions.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community*.

Attachments

Exhibit 1 – Contract with Scope and Pricing

Exhibit 2 – Business Associate Agreement

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