



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

#20-0505

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: July 7, 2020

TITLE: Motion Authorizing the City Manager to Execute Letters of Agreement with the Managed Care Organizations under contract with the State of Florida's Agency for Health Care Administration - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

It is recommended that the City Commission authorize the City Manager to execute Letters of Agreement (LOA's) with the Managed Care Organizations (MCO's) under contract with the State of Florida's Agency for Health Care Administration (AHCA). This program provides for supplemental payments for allowable costs in excess of other Medicaid revenues received for emergency medical transportation services to Medicaid eligible recipients.

Background

Fort Lauderdale Fire Rescue transports approximately 26,000 patients annually to local hospital emergency rooms, generating approximately \$6.6 million per year from Medicare/Medicaid, private commercial insurance companies, and individual payers. Of the total patients transported to the hospital approximately 20% are covered by Medicaid.

There are two (2) types of Medicaid transports. The "Fee for Service" transports are billed and collected directly from AHCA. The second type of transports are billed and collected from the MCO's. The average reimbursement for the services per Medicaid patient is \$168 per transport. This amount is significantly lower when compared to the average reimbursements for Medicare and private health insurance patients and the actual costs associated with Emergency Medical Transports. The average reimbursements for Medicare and private health insurance patients are \$396 and \$663, respectively.

In 2016, the State authorized the creation of a Certified Public Expenditure (CPE) program to provide supplemental payments to publicly owned and operated emergency medical transportation providers for Medicaid "Fee for Service" patients transport to local hospitals. This program leverages the approximately 61.47% share of Federal Medicaid reimbursement by allowing the State to certify the public expenditure incurred by the Fort

Lauderdale Fire Rescue as the State share. Fort Lauderdale Fire Rescue currently receives supplemental payments for Medicaid “Fee for Service” patients through the CPE program and has generated an additional \$2.3 million since 2017. The Fire Rescue Department submits an annual report to the State of Florida relating to the actual costs associated with Emergency Medical Transports. The associated supplemental payment is a proportional reimbursement from the State of Florida for net costs for “Fee for Service” Medicaid transports. The CPE program, also known as the PEMT (Public Emergency Medical Transportation) program, helps close the gap between the cost incurred and the revenue received for each emergency medical transport provided to a Medicaid “Fee for Service” patient. Medicaid “Fee for Service” patients make up less than 14% of all Medicaid transports provided by Fort Lauderdale Fire Rescue, with the rest receiving services under a Medicaid Managed Care arrangement.

In the 2019 General Appropriations Act, the State Legislature directed ACHA to make directed payments to qualifying PEMT providers for services under the Statewide Medicaid Managed Care (SMMC) program. (State Bill, 2500, signed by the Governor on 6/21/2019). The Agency submitted the proposal to the Centers for Medicare and Medicaid Services (CMS) on August 30, 2019 and received approval from CMS on April 8, 2020. To be eligible for this reimbursement program, the qualifying agency must have been a participant in the most recent PEMT reimbursement program and be a “non-Medicaid” governmental agency.

Unlike the “Fee for Service” Medicaid transports, current transport fee revenues are billed and collected through the MCO’s. The supplemental payment program will require agreements with AHCA and the contracted MCO’s subject to future City Commission approval. Unlike the current PEMT program which required no appropriation for the State share, these revenue and expense submissions for Medicaid Managed Care transports are funded through an IGT (Intergovernmental Transfer) cash match with a federal fund contribution. The reimbursement of submitted expenses will be through AHCA via the MCO’s. There are currently sixty-five (65) eligible governmental agencies that can participate in this program.

In order to leverage the approximate 61.47 % federal share in future years, the Fort Lauderdale Fire Rescue Department will provide the State share through an IGT, and later be reimbursed by the Medicaid Managed Care providers. In FY2021, the City will realize an approximate \$744,154.45 in net revenue, reflecting the approximate 61.47% Federal Share and the 38.53% percent State share of the program. This authorization will be brought to the City Commission for approval later.

There is no current fiscal year obligation to submit the required IGT contributions to receive the approved reimbursements. There is a current year obligation to sign the Letter of Agreements with the MCO’s.

The City Manager will also execute a professional services agreement with the City's contract vendor for Emergency Medical Services Billing and Electronic Patient Care Reporting Services, R1 Advanced Data Processing, Inc. d/b/a Intermedix to provide support during the implementation of this program.

R1 Advanced Data Processing will provide, but not be limited to, the following scope of services:

- Gather applicable data from the City and associated City vendors for the completion of all applicable cost reports.
- Fully complete the required cost reports to the Agency of Health Care Administration (AHCA) within the time frame prescribed by AHCA.
- PCG will provide support and analysis for all future audits as required by AHCA.
- Continue to advise the City on any program changes, updates, and revisions of the program.

For these services, R1 Advanced Data Processing, Inc. will receive compensation for contracted services on a contingency basis. This compensation will be 6% of net reimbursements from payments from the MCO's.

Pursuant to Section 2-181(f)(5)(b), Code or Ordinances of the City of Fort Lauderdale Florida, the City intends to piggyback on a Volusia County Agreement for these services. The Chief Procurement Officer (CPO) has determined it would be practicable and advantageous for the City to use this method of procurement for this agreement. This agreement is being processed administratively under the City Manager's authority.

The total funds to be received by the City of Fort Lauderdale is anticipated to be \$1,176,932. The consultant, R1 Advanced Data Processing, Inc. will receive a 6% consultant fee from the total revenues received ($\$1,176,932 \times 6\% = \$70,616$). The net fiscal impact to the City will be \$1,106,316 ($\$1,176,932 - \$70,616 = \$1,106,316$).

It is recommended that the City Commission authorize the City Manager to execute Letters of Agreement (LOA's – Exhibit 3) with the Managed Care Organizations (MCO's) under contract with the State of Florida's Agency for Health Care Administration (AHCA) in substantially in the form as attached.

Resource Impact

There will be a positive fiscal impact of approximately \$1,106,316 in the current fiscal year.

The associated expenditure of \$70,616 is derived from a consultant fee of 6% of the proceeds.

Source:

Funds available as of May 20, 2020					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AMOUNT RECEIVED (Character)	AMOUNT
001-FIR030101.J134	Fire Rescue Support	Charges for Service/ Public Emergency Transport – MCO Program	\$10,500,225	\$6,952,252	\$1,176,932
			TOTAL AMOUNT ►		\$1,176,932.80

Use:

Funds available as of May 20, 2020					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
001-FIR030101.3199	Fire Rescue Support	Charges for Service/ Other Professional Services	\$3,781,572	\$583,077	\$70,616
			TOTAL AMOUNT ►		\$70,616

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2024* initiative, included within the Public Safety Cylinders of Excellence, specifically advancing:

- The Public Safety Focus Area
- Goal 6: Build a safe and well-prepared community.
- Objective: Provide quick and exceptional fire, medical, and emergency response.

Attachments

Exhibit 1 – PEMT Uniform Increase Overview

Exhibit 2 – MCO Region Plans by Regions and MCO Contracts

Exhibit 3 – Letter of Agreement

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