



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#20-0717

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: September 15, 2020

TITLE: Motion Approving the City of Fort Lauderdale's Fire Rescue Department's Participation in the Supplemental Payment Program for Medicaid Managed Care Patients 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 approve the City's participation in an Intergovernmental Transfer (IGT) program between the City of Fort Lauderdale and the State of Florida (State) to provide supplemental payment for Medicaid Managed Care patients. This program provides for supplemental payments for allowable costs that are 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 \$6.7 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 the State of Florida's Agency for Health Care Administration (AHCA). The second type of transports are billed and collected from the Managed Care Organizations (MCO) providers working under contracts with AHCA. The average reimbursement for the services per Medicaid patient is approximately \$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 is \$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 \$3.15 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 Transport) 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 with the MCO’s.

In 2019 the State Legislature authorized the expansion of the program to include the Medicaid Managed Care population (State Bill 2500, signed by the Governor on 6/21/2019). In June 2020, the State Legislature appropriated \$89M (State Bill 5001) on 6/29/2020 for the current State Fiscal Year.

Unlike the “Fee for Service” Medicaid transports, current transport fee revenues are billed and collected through the Managed Care Organization (MCO) providers. The supplemental payment program will require agreements with AHCA and the contracted Managed Care Organization (MCO) providers. Unlike the current CPE (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 (Agency for Health Care Administration) via the MCO (Managed Care Organizations). There are currently eighty-one (81) eligible governmental agencies that can participate in this program

In order to leverage the approximate 61.96 % federal share, the Fort Lauderdale Fire Rescue Department, along with other participating providers, will provide the State share through an IGT, and later be reimbursed by the Medicaid Managed Care providers. The State of Florida (AHCA) will collect the IGT’s from each participating provider, submit the total State Share to the Federal Government (CMS – Centers for Medicaid and Medicare Services). The Federal Government will then provide the Federal Share back to AHCA. AHCA which will in turn then distribute the funds to the Managed Care Organizations (MCO’s) for distribution back to the participating providers. The City is required to make an IGT of \$363,428.38 to ACHA. It is anticipated that the City will realize an approximate \$556,439.04 in net revenue, reflecting the approximate 61.96% Federal Share and the 38.04% percent State share of the program.

To be eligible for this reimbursement program, the qualifying agency must have been a participant in the most recent PEMT reimbursement program and must also be a “non-Medicaid governmental agency”. In addition, each participating agency must sign and execute Letter of Agreements with the respective MCO entities within each Medicaid Region within the State of Florida. The City of Fort Lauderdale resides within Region 10 of the State of Florida Medicaid service area.

At the July 7, 2020 Regular City Commission meeting, the City Commission approved a 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 (CAM 20-0505).

Resource Impact

There is no impact on the FY 2020 budget. If approved, the City will receive \$955,384.80 in revenue in FY 2021 and will incur expenses estimated at \$398,945.76. Additional revenues and expenses will be appropriated as a part of the October 6, 2020 consolidated budget amendment (CAM 20-0685).

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.

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

Attachments

Exhibit 1 – Public Emergency Medical Transportation Letter of Agreement

Exhibit 2 – FL PEMT MCO IGT Participant List

Prepared by: Paul C. Vanden Berge, Public Safety Administrator
Athena Gilliam, Fire Rescue, Administrative Supervisor

Department Director: Rhoda Mae Kerr, Fire Chief