



# City of Rialto

## Legislation Text

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**File #:** CC-19-438, **Version:** 1

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For City Council Meeting [April 23, 2019]

**TO:** Honorable Mayor and City Council

**APPROVAL:** Sean Grayson, Interim City Administrator

**FROM:** Brian Park, Interim Fire Chief

Request City Council to Approve Quarterly Ground Emergency Medical Services Quality Assurance Fee Payments (GEMT-QAF) to the Department of Healthcare Services (DHCS) to allow continued participation in the Medi-Cal Ground Emergency Medical Transportation (GEMT) Supplemental Reimbursement Program.

**(ACTION)**

**BACKGROUND:**

On October 2, 2011, the California State Legislature passed Assembly Bill 678, which is a Certified Public Expenditure (CPE) Program for California's publicly owned or operated ambulance service providers. This program provides supplemental reimbursement for eligible Ground Emergency Medical Transportation (GEMT) providers that meet specified requirements and provide GEMT services to Medi-Cal beneficiaries. On October 13, 2017 the California Governor signed SB 523 (attachment 1) into law authorizing DHCS to establish the GEMT-QAF program.

The GEMT-QAF is assessed on each qualified emergency medical transport, regardless of payer type. Providers are required to pay the QAF retroactively to the July 1, 2018 effective date. DHCS will establish a QAF payment schedule in consultation with GEMT providers, and will publish the payment schedule on the GEMT QAF webpage once final. Providers may be subject to penalties if payments have not been submitted within 45 days of the payment dates included in the posted payment schedule (attachment 2). In addition, the QAF rate has been calculated and established at the amount of \$25.23 per transport for each quarter for FY 2018-2019.

The Centers for Medicare and Medicaid Services (CMS) approved California State Plan Amendment (SPA) 18-004 (attachment 3), which was submitted to CMS on July 11, 2018 and approved February 7, 2019. SPA 18-004 implements a one-year Quality Assurance Fee (QAF) program and reimbursement rate add-on for GEMT provided by emergency medical transportation providers effective for the State Fiscal Year (SFY) 2018-19 from July 1, 2018 to June 30, 2019. The approved reimbursement rate add on for Medi-Cal transports is \$220.80.

As a public ambulance provider, the City of Rialto is eligible to receive these supplemental GEMT and GEMT-QAF reimbursements for Emergency Medical Services (EMS) rendered to Medi-Cal beneficiaries, and for services rendered in the future. In order to receive GEMT reimbursements, the City must comply with SB 523 and SPA 18-004 and pay DHCS the required QAF of \$25.23 for all transports completed and billed in Q2 thru Q4 of 2018 and Q1 of 2019 and continuing each state

fiscal quarter thereafter.

### **ANALYSIS/DISCUSSION:**

The City of Rialto provides emergency pre-hospital care and ambulance transportation to its community members through its fire department. The City charges a fee for these services that is set by Council at an amount not to exceed the actual cost of delivering the service. Currently, the base rate that the City of Rialto charges for ambulance transportation is \$1,251.13, with additional charges that may be applicable depending on the nature of the emergency. These fees are billed to the patient or the patient's insurance carrier.

Irrespective of the amount that an ambulance provider charges, Medi-Cal insurance will only pay a fixed rate of \$118.20 per transport. Furthermore, California State law precludes the City from pursuing collection of the unpaid balance from the patient or Medi-Cal affiliated insurance carriers. This results in the City absorbing the non-covered costs. Medi-Cal beneficiaries account for approximately 30% of the patients transported by the City.

The purpose of the GEMT program is to provide partial reimbursement to public ambulance providers for these previously unfunded amounts from Medi-Cal beneficiaries. Under this CPE arrangement, government providers report their Medi-Cal expenditures to the State. The State then obtains the federal reimbursement equivalent to 50% of the reporting agency's total uncollected costs. Supplemental reimbursements provided by this program are available only for the uncompensated care costs associated with services rendered to Medi-Cal beneficiaries.

An eligible GEMT provider's specific allowable cost per-medical transport rate is calculated based on the provider's audited financial data report. The cost per medical transport will be the sum of actual allowable direct and indirect costs of providing medical transport services divided by the actual number of medical transports for the applicable service period. The supplemental payments determined under this application shall be made annually on a lump-sum basis after the conclusion of each State fiscal year. This supplemental payment applies only to Medi-Cal services rendered to Medi-Cal beneficiaries by eligible GEMT providers on or after January 30, 2010.

In order to receive these reimbursements and the reimbursement rate add on of \$220.80 (SB423/SPA18-004) the City must submit payment of the QAF fee (\$25.23 per transport) for Quarter 2 (April-June 2018) to DHCS by April 30, 2019. The total number of qualified ambulance transports in Q2-2018 is 1,277 (attachment 4) resulting in a total due to DHCS of \$32,218.71.

The payments for the remaining Quarters are due as follows: Quarter 3 (July-Sept 2018) with 1375 transports is due May 2019; Quarter 4 (Oct-Dec 2018) has 1244 transports with payment due June 2019 and Q1 (Jan-March 2019) payment due on or before July 1, 2019.

As a public ambulance provider, the City of Rialto is eligible to receive these supplemental GEMT and GEMT-QAF reimbursements for EMS rendered to Medi-Cal beneficiaries, and for services rendered in the future. In order to receive GEMT reimbursements, the City must comply with SB 523 and SPA 18-004 and pay DHCS the required QAF of \$25.23 for all transports completed and billed in Q2 FY 2018-2019.

### **ENVIRONMENTAL IMPACT:**

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. By definition, a Project does not include: The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment according to Section 15378 (b)(4) of CEQA.

**GENERAL PLAN CONSISTENCY:**

5-3.1: Provide for fire personnel, equipment, and fire stations to have adequate and appropriate resources to meet the needs and serve all areas of Rialto.

**LEGAL REVIEW:**

The City Attorney has reviewed and approved this staff report

**FINANCIAL IMPACT:**

Operating Budget Impact

The GEMT-QAF quarterly payments will start retroactively to April 1, 2018 and will not exceed \$200,000 for FY2018-19. These new GEMT-QAF payments were approved in March 2019 by Senate Bill 523 and were not budgeted for FY2018-19 but funds are available in General Fund Account 010-500-5175-2011. All quarterly payments to DHCS are to be made via Electronic Fund Transfer.

GEMT-QAF payments will be offset by the QAF reimbursement rate add on effective July 1, 2018 at \$220.28 per Medi-Cal transport at about \$200,000 per year of additional revenue. Of these monies, the reimbursement of the GEMT-QAF Quarterly payments will be placed into Revenue Account No. 010-400-5175-7632 and the balance placed in GEMT Revenue Account No. 209-400-5175-7539.

Capital Improvement Budget Impact

No Impact to Capital Improvement Budget

Licensing

This action does not require a business licensing.

**RECOMMENDATION:**

Staff recommends that the City Council Approve Quarterly Ground Emergency Medical Services Quality Assurance Fee Payments (GEMT-QAF) to the Department of Healthcare Services (DHCS) to allow continued participation in the Medi-Cal Ground Emergency Medical Transportation (GEMT) Supplemental Reimbursement Program.