



## Legislation Text

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**File #:** 23-1721, **Version:** 1

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Chief Administrative Office, Emergency Medical Services and Emergency Preparedness and Response Division, recommending the Board:

- 1) Approve and authorize the Chair to sign Resolution **144-2023**, electing for the County to voluntarily transfer funds to the California Department of Health Care Services (DHCS) in support of the Public Provider Ground Emergency Medical Transport (PP-GEMT) program, in an annual amount to be determined by DHCS; and
- 2) Approve and authorize the chair to sign a budget transfer amending the Fiscal Year 2023-24 Adopted Budget to appropriate said transfer to DHCS and increasing estimated revenues commensurately (4/5 vote required).

**FUNDING:** County Service Areas 3 & 7.

### **DISCUSSION / BACKGROUND**

The Chief Administrative Office, Emergency Medical Services and Emergency Preparedness and Response Division (EMS/EPR) provides pre-hospital, ground emergency medical transportation ("GEMT") ambulance services through County Services Areas No 3. And No. 7. These services are funded, in part, by ambulance fees which are billed to patients, and patients' insurance providers, including Medi-Cal, California's Medicaid program.

In recognition of the fact the Medi-Cal reimbursements for ambulance services under-reimburses medical providers, the State initiated the GEMT Supplemental Reimbursement Certified Public Expenditure program in 2011, allowing California public agencies which provide ambulance services to be reimbursed a portion of their unreimbursed costs of providing services to Medi-Cal Fee-for-Service patients. The County has availed itself of this program, and received approximately \$255,000 for Fiscal Year 2021-22, the most recent finalized year of the program.

Additionally, the State instituted, in 2018, a GEMT Quality Assurance Fee (QAF) program, which assess a fee on all medical transports that occur in the state, and uses the dollars collected to fund a supplemental add-on to the Medi-Cal ambulance reimbursement rates. The County has seen a net benefit from this program.

Despite both of these programs, the cost of providing ambulance services still exceeds the total reimbursements received from Medi-Cal for providing services to Medi-Cal patients. As a result of efforts by lawmakers, the California Fire Chiefs' Association, the California Ambulance Association, and other stakeholders, Assembly Bill No. 1705 of 2019 was passed, implementing the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer (IGT) program, which went into effect on January 1, 2023. So long as the new PP-GEMT IGT program is in effect (i.e. has not been repealed or suspended), the two prior GEMT programs are no longer in effect for public providers.

The PP-GEMT program instituted a new supplemental "add-on" payment for all Medi-Cal ambulance reimbursements, similar to the prior QAF program. Whenever a public provider, such as the County,

bills the State for providing services to a Medi-Cal patient, in addition to receiving reimbursement based on the Federal Medi-Cal reimbursement rates, the provider will receive a second “add-on” reimbursement. Currently, the base Federal reimbursement rate is \$118, while the PP-GEMT “add-on” is \$947 (these rates are subject to adjustments and should be considered exemplary figures). Unlike some of the prior GEMT programs, the new PP-GEMT program will also apply to Medi-Cal HMO patients, which are an increasing share of all Medi-Cal recipients. Between the inclusion of HMO patients and the increased add-on amounts, it is anticipated that public providers will see increased revenues as compared to prior programs.

It was the intent of the Legislature upon approval of the PP-GEMT program that the program has no net cost or impact on the State of California General Fund. Rather, the program was designed to leverage contributions by the public agencies who will participate in the program in order to become eligible for increased Federal Medi-Cal funding. The “add-on” fee will consist of a “Federal share” and a “non-Federal share,” split approximately 50% each. The State will receive reimbursement from the Federal Medicaid program for the Federal share. The State will then distribute the cost of the non-federal share to public agencies who have agreed to participate in funding the program.

If all California public agencies which provide ambulance services elect to participate in the program, then each agency should expect to have to transfer to the State an amount approximately equal to 50% of the funds received under the program. For each public agency that declines to participate in funding the program, every other public agency will be required to contribute a higher amount to fund the program. If the program is ever unable to be fully supported by provider agencies, the statute requires that the State terminate the program. The non-Federal share costs are distributed to all provider agencies who have agreed to contribute proportionally based on their number of transports provided.

Staff is recommending that the Board elect to participate as a funding entity and approve transfers of funds to be made to the State to fund the PP-GEMT program. It is in the interest of the County that this program be successful, and that all participating agencies fund the program, maximizing the equitable revenue for all California public ambulance providers. The estimated contribution amount for Calendar Year 2023 is \$1,167,095.

## **ALTERNATIVES**

The Board could elect to not transfer funds to the State. While this option may result in an immediate savings, this option could contribute to the eventual financial insolvency and termination of the program.

## **PRIOR BOARD ACTION**

N/A

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

The County has received formal support for participation in the program from the El Dorado County Fire Chiefs’ Association and the El Dorado County Emergency Services Authority.

## **CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

## **FINANCIAL IMPACT**

The estimated County contribution amount for Calendar Year 2023 is \$1,167,095. Based on the

State's estimates, the County should see an annual net benefit of up to \$1.1 million, however, the actual benefit is yet to be determined. As the program was effective January 1, 2023, only transports that occurred in calendar year 2023 are eligible for this reimbursement. Due to the medical billing timeframe, the full impact of the increased add-on revenue is not fully known. Revenues received under this program from January through June 2023 were expected to be minimal, as few 2023 transports would be fully billed and reimbursed during that timeframe. Preliminary revenue figures for July and August 2023 reflect a significant increase in PP-GEMT revenues that, if prove to be consistent, would reflect the anticipated revenue under this program.

As required by the recommended resolution, the Chief Administrative Office will monitor the PP-GEMT revenues and expenses closely, and provide updates to the Board, including recommendations to cease our participation as a funding entity should staff no longer have reason to believe that the program is a financial benefit to the County. Neither approval of this item nor participation as a funding agency create an ongoing obligation.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Obtain Chair's signature on resolution and the budget amendment.

**STRATEGIC PLAN COMPONENT**

Health Communities, Public Safety

**CONTACT**

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