



## Legislation Text

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**File #:** 19-0521, **Version:** 1

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**Agenda Item Name:**

Agreement with the State of Florida for the Medicaid Managed Care Payment and Intergovernmental Transfer (IGT) Program

**Presenter:**

Harold Theus, Chief 352-384-3101

**Description:**

Agreement with the State of Florida for the Medicaid Managed Care Payment and Intergovernmental Transfer Program to provide supplemental payment program for Medicaid Managed Care patients

**Recommended Action:**

Adopt the Resolution, approve the agreement and budget amendment

**Prior Board Motions:**

N/A

**Fiscal Consideration:**

The County will be providing the State share through an intergovernmental transfer (IGT). The IGT will require the County to provide the State share, approximately \$548,186.35, which will result in approximately \$1,422,752.01 of additional Managed Care Option (MCO) patient transport revenue. The net unanticipated revenue is \$874,565.66 (\$1,422,752.01 less IGT \$548,186.35). Staff recommends an allocation of \$677,092.00 for the Fire Rescue CIP (310.54.5480.522.62.00), \$40,000.00 (net) for enhanced integrated clearing house services with insurance discovery and demographic verification capabilities (\$20,000.00 currently spent that will be reallocated for a total of \$60,000.00) (001.54.5450.526.34.00), \$105,000.00 for incompatible stretcher replacement (001.54.5450.526.64.00), and \$52,474 for anticipated compensation to PCG payment (6%) for their assistance in collecting the additional revenue (001.54.5450.526.34.00).

**Background:**

Alachua County Fire Rescue transports approximately 32,500 patients annually generating collections of approximately \$12 million per year from Medicare, Medicaid, private commercial insurance companies and individual payers. Of the total patients transported each year, almost 14 percent are covered by Medicaid. The average reimbursement for the services per Medicaid patient transport is \$173.28. This amount is significantly lower when compared to reimbursements from

Medicare, approximately \$404.67 per patient transport, and patients with private health insurance, approximately \$413.22 per patient transport.

Since 2016, Alachua County has participated in the Florida Public Emergency Medical Transportation (PEMT) Managed Care Reimbursement Program. This supplemental funding was established to help close the gap between cost incurred to provide services and revenue received for each emergency medical transport provided to a Medicaid fee for service patient. This was the first step to address the challenge of current Medicaid reimbursement rates. The Medicaid Managed Care (MCO) reimbursement levels, however, remain at inadequate levels. The Florida Fire Chiefs Association has worked to implement a legislative effort to establish a Medicaid Managed Care Supplemental Payment Program.

In 2019 the Legislature authorized expansion of the program to include the Medicaid Managed Care population. The Medicaid Managed Care Supplemental Payment Program requires each participant to provide the state share, approximately 60%, through an Intergovernmental Transfer. The County will be reimbursed by Medicaid Managed Care providers when their covered patients are transported to the hospital. This will require an amendment to the FY20 Adopted Budget to recognize the additional \$1,422,752.01 of revenue and a corresponding appropriation of \$548,186.35 for the IGT to AHCA to provide the 40 percent state share. The County will realize \$874,565.66 net additional revenue.

The Department requests \$677,092.00 of the additional revenue to be allocated to unfunded capital improvement project to renovate the Tacachale building. This will facilitate the relocation of Rescue 3 from the Gainesville Fire Rescue Station and house the newly FY20 funded rescue unit.

Fire Rescue staff also recommends the allocation of \$40,000.00 (net) for enhanced integrated clearing house services with insurance discovery and demographic verification capabilities. The Department currently spends approximately \$20,000.00 for clearing house and manual skip tracing capabilities. These services will be canceled and reallocated to the integrated services for a total of \$60,000.00. Since 1999, the Medical Billing Office has contracted for electronic claims processing services. Technology continues to be developed that will help the Medical Billing Office maintain and improve its efficiency and effectiveness. It is critical that we continue our investments in technology. The insurance discovery product checks across the major health insurance carriers in our region. We currently do not have resources to accomplish this and rely on patients to provide insurance. In addition, the recommended product includes a demographic verifier to assist in obtaining accurate addresses. In addition, we anticipate this will significantly reduce the amount of returned mail that has to be reviewed and analyzed. The anticipated net revenue from the PEMT programs is sufficient to cover the estimated net recurring cost increase to add the additional services; however, it is also anticipated that the additional revenue generated from increased collections, as a result of the service, will cover future-year costs.

Fire Rescue has seven (7) 10+ year old stretchers that are not compatible with new rescue units that have the Performance Load Locking System stretcher bracket system. The stretchers cannot be upgraded or retrofit to work with the new units. Four units were replaced in FY19 and, there are seven that need to be replaced in FY20. There is \$105,000 (7 at \$15,000 each) of the unanticipated revenue to be allocated toward the replacement of stretchers.

The resolution authorizes the participation in the supplemental payment program and amends the FY20 Adopted budget for the unanticipated revenue and expenditures. The program may require additional agreements with AHCA and Manager Care Providers. The resolution authorizes the Manager to execute those agreements. PCG Consulting Services (PCG) has provided support in compiling the data and submitting the funding requests to obtain additional PEMT revenues. The existing agreement with PCG would allow them to continue these efforts and provide assistance for the Medicaid Managed Care Payment Program at a cost of 6% or \$52,474.00.