

The California Welfare and Institutions Code (WIC) Sections 14301.4 and 14164 establishes the Intergovernmental Transfer (IGT) program enabling a public entity, providing health care services to Medi-Cal managed care (HMO) beneficiaries, to transfer funds to the State Department of Health Care Services (DHCS) in support of the Medi-Cal program. These funds are used by the DHCS to obtain increased matching funds from the federal Center for Medicare and Medicaid Services (CMS) to support Medi-Cal health care services provided by participating public agencies. The City received IGT program net revenue for Los Angeles Fire Department (LAFD) transports of approximately \$6 million for FY2014-15, \$6.9 million for FY2015-16, \$7.8 million for FY 16-17, \$7.1 million for FY 18-19, \$7.1 million for FY 19-20 and \$3.2 million for FY 20-21. The program was on hold during FY21-22.

On December 30, 2022, the DHCS notified the LAFD of the **February 17, 2023 deadline** to transfer funds totaling \$3.2 million to participate in the CY 2021 IGT program which is expected to generate net revenue of \$1.8 million to meet last year's budgetary obligations. This revenue is applied toward LAFD emergency medical and ambulance transport services, consistent with IGT program requirements. Below is a breakdown of the IGT transfer amount, administrative fees to the DHCS and Health Care Plans (HCPs) contracted with the State to administer the IGT, and projected net revenue.

IGT Amount (a)	Potential Federal Match (b)	Total a + b	(Administrative Fees to HCPs @ 6% IGT Amount)	Potential Total Payment to the City	(Transfer Total to DHCS: IGT + 20% Admin Fee to DHCS))	Projected Net Revenue
\$2,670,959	\$2,670,959	\$5,341,918	(\$320,515)	\$5,021,403	(\$3,206,711)	<b>\$1,814,692</b>

The proposed IGT transfer to DHCS of approximately \$3.2 million would be loaned from the LAFD Salaries Sworn Account, to be reimbursed following receipt of payment from DHCS through the State contracted Health Care Plans. The reimbursements are expected to occur prior to the close of the fiscal year.

I THEREFORE MOVE that City Council, subject to approval of the Mayor:

1. Authorize the Controller to:
  - (a) Transfer \$3,206,711 from Fund 100/38, Salaries Sworn Account 001012 to Fund 100/38, Contractual Services Account 003040; and,
  - (b) Electronically transfer \$3,206,711 therefrom to the State Department of Health Care Services by no later than February 17, 2023 for Los Angeles Fire Department (LAFD) participation in the FY 2020-21 Medi-Cal Intergovernmental Transfer (IGT) program to access federal Medicaid funds for emergency medical and ambulance transport services.
  
2. Authorize the Fire Department to:
  - (a) Deposit CY 2021 IGT program receipts into Fund 59F Medi-Cal Intergovernmental Transfer Program Trust Fund, Account to be determined (TBD); and,
  - (b) Transfer \$3,206,711 from Fund 59F, Account TBD, to Fund 100/38, Salaries Sworn Account 001012.
  
3. Authorize the LAFD, subject to approval of the City Administrative Officer, to prepare Controller instructions for any technical adjustments to comply with the intent of Council actions, and authorize the Controller to implement the instructions.

PRESENTED BY:   
 BOB BLUMENFIELD  
 Councilmember, District Three

SECONDED BY: 

PK

JAN 1 1 2023

**ORIGINAL**