

BUDGET & FINANCE

MOTION

Over the last several years, the Fire Department (LAFD) participated in three programs operated by the State of California that enabled the City to receive additional revenues to reimburse the City for a portion of the costs associated with emergency medical transports provided to Medi-Cal patients. These programs consisted of the Ground Emergency Medical Transport (GEMT) Program, which provided the City with revenue based on cost reporting related to Medi-Cal "Fee- for-Service" patients; the Intergovernmental Transfer (IGT) Program, which enabled the City to receive additional Federal funds for services provided to Medi-Cal "Managed Care" patients, and the Quality Assurance Fee (QAF), which enabled the City to secure supplemental Federal funds for all Medi-Cal patients. Both the IGT and QAF programs required the LAFD to make quarterly payments to the State Government, which were offset by the increased revenue realized as a result of the City's participation in these programs.

Effective January 1, 2023, these three programs were consolidated into a single new program, the Public Provider Ground Emergency Transport (PP-GEMT) Intergovernmental Transfer (IGT) program. This program, like its predecessors, require the City to make quarterly payments to the State Department of Healthcare Services to participate. These payments are offset by increased revenues, and will have a positive impact on the General Fund. However, these payments are much larger than previous payments. For calendar year 2023, the estimated payment is \$28.9 million which includes a 10% admin fee of \$2.6 million. This requires three payments in 2023: June 15, September 15 and December 15.

Participation in these programs is a benefit to the City, and the Department estimates that the City will net approximately \$18 million as a result of the PP-GEMT IGT program, an increase of over \$4 million over receipts under the older programs.

In the Fiscal Year 2023-24 Adopted Budget, \$6.7 million was included in the Unappropriated Balance to be used for the September 15, 2023 payment. The Department will be require to transfer the additional amount of \$12,684,971.34 internally to make the second and third installment payments.

I THEREFORE MOVE that the City Council:

1. Authorize a transfer from the Unappropriated Balance in the amount of \$6,700,000 to Fire Department Fund 100/38, Contractual Services Account 003040 to cover a portion of the September 15, 2023 PP-GEMT IGT payment;
2. Authorize the Controller to transfer \$12,684,971.34 within the Fire Department Fund 100/38, Salaries Sworn, Account 001012 to the Contractual Services Account 003040;
3. Direct the Fire Department to Electronically transfer \$8,811,350.61 from Fire Department Fund 100/38, Contractual Services, Account 003040 to the State Department of Health Care Services by no later than September 15, 2023 for the Department's payment for participation in the PP-GEMT IGT Program;
4. Authorize the Fire Department to make payments for the PP-GEMT ITG Program in accordance with deadlines established by the State Department of Health Care Services, upon receipt of invoices, and report on the status of the program in subsequent FSRs;
5. Direct the City Administrative Officer to report in future Financial Status Reports on any necessary transfers and transactions needed to ensure fire services are not impacted; and
6. Authorize the Fire Department, subject to the approval of the City Administrative Officer, to prepare Controller instructions for any technical adjustments to comply with the intent of this Motion, and authorize the Controller to implement the instructions.

PRESENTED BY:



MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY:



ORIGINAL

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AUG 18 2023