



**TO:** Elizabeth Pauli, City Manager  
**FROM:** James P. Duggan, Fire Chief  
Teresa Green, Fire Department Manager, Finance and Planning/Fire  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – Interagency Agreement with Washington State Health Care Authority for Ground Emergency Medical Transportation Intergovernmental Transfer Framework – December 11, 2018  
**DATE:** November 21, 2018

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**SUMMARY:**

A resolution authorizing the execution of an interagency agreement with the Washington State Health Care Authority (HCA) for the Ground Emergency Medical Transportation (GEMT) Intergovernmental Transfer Framework.

**STRATEGIC POLICY PRIORITY:**

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

Entering into an Intergovernmental Transfer funding agreement with the Washington State HCA allows the Tacoma Fire Department (TFD) to recover over \$3 million in expense associated with providing emergency medical transports to Washington State’s Managed Care Medicaid clients.

**BACKGROUND:**

Ground Emergency Medical Transportation (GEMT) is a program that allows public ambulance agencies to collect a supplemental payment for qualified Medicaid medical transports. The supplemental payments help cover the funding gap between the actual cost of providing medical transport services and the amount paid by Washington Apple Health (Medicaid). House Bill 2007 – concerning reimbursement to eligible providers for Medicaid ground emergency medical transportation services – was approved by the State legislature and signed by the Governor in April 2015. That allowed Washington to submit its GEMT program to the Department of Health and Human Services Centers for Medicare & Medicaid Services for approval and that federal agency approved the program for use in Washington with an effective date of June 2, 2016.

Ambulance transport benefits are provided by the State’s Medicaid program. There are two types of Medicaid coverage in Washington State: Fee-for-Service or Managed Care. Fee-for-Service allows medical providers to bill only for each service provided. Managed Care is a comprehensive system of medical care delivery, including preventive and primary care. Ambulance services were available from the Managed Care program until December 31, 2017; they are now covered through Fee-For-Service. Each type of coverage operates under a different funding mechanism: Fee-For-Service under Certified Public Expenditure and Managed Care under Intergovernmental Transfer.

Certified Public Expenditure funding requires the HCA to only certify that providers have expended their share of the cost to provide Medicaid services. For GEMT this certification is done by submitting an annual cost report attesting to the department’s expenses and revenues related to providing emergency medical services. Intergovernmental Transfer funding requires that the provider transfer local funds to the state prior to remittance of the federal payment for Medicaid services. Once the HCA has received the



local funds, the provider will be paid the full cost of providing the transport (the local portion and federal portion), less any payments already received from Medicaid.

Between January 1, 2017 and December 31, 2017, TFD completed approximately 1,200 medical transports for Medicaid Managed Care enrollees and the average rate per transport is \$5,450.

**ISSUE:**

Shall the City Council support an interagency agreement with the State to establish the Intergovernmental Transfer framework that will allow HCA to reimburse the City for providing GEMT service to Managed Care Medicaid clients?

**ALTERNATIVES:**

The City could choose not to approve the interagency agreement and not provide the nonfederal (local matching) funds required for receipt of Medicaid funding for Managed Care GEMT services. By not entering into the interagency agreement and not providing the local matching funds, the City will not receive a substantial reimbursement to the medical transport program, an estimated \$3.2 million. This reimbursement helps offset the significant cost of having provided emergency medical transport services to our service area and replenishment of cash reserves of the TFD EMS Special Revenue Fund.

**RECOMMENDATION:**

Staff recommends the City enter into the Interagency Agreement with HCA for the GEMT Intergovernmental Transfer and provide local matching funds as requested by HCA for the managed care Medicaid transports provided by TFD from January 1, 2017 to December 31, 2017.



**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 – General Fund (Fire)	253000	5620000	\$160,000
1155 – TFD EMS Special Revenue	609100	5620000	\$3,050,000
<b>TOTAL</b>			<b>\$3,210,000</b>

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 – General Fund (Fire)	253000	4332290	\$320,000
1155 – TFD EMS Special Revenue	609100	4332290	\$6,100,000
<b>TOTAL</b>			<b>\$6,420,000</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:** N/A; expense is expected in 1<sup>st</sup> Quarter 2019 and revenue is expected in 2<sup>nd</sup> Quarter 2019.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** No.

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

Fiscal impact is estimated based on the current approved cost per transport and the department’s estimate of qualifying transports from January 1 – December 31, 2017. Final invoice and revenue received will vary from the estimate after the HCA has reviewed the transports and applied the Federal Medical Assistance Percentage. Appropriation will be requested with a budget adjustment ordinance in 2019 and will reflect the actual expense and revenues.