



Board Agenda Item 64

DATE: June 20, 2023

TO: Board of Supervisors

SUBMITTED BY: David Luchini, RN, PHN, Director, Department of Public Health

SUBJECT: Agreement for Fiscal Intermediary Services for the Emergency Medical Services Fund Physicians' Allocation

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as Advanced Medical Management was the sole bidder in the County's previous Request for Quotation process and changing vendors would cause a critical disruption to the timely processing of Emergency Medical Services Fund physician claims.**
- 2. Approve and authorize the Chairman to execute an Agreement with Advanced Medical Management Inc., for fiscal intermediary services for the Emergency Medical Services Fund, effective July 1, 2023, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$2,650,000.**

There is no additional Net County Cost associated with the recommended actions. Approval of the recommended actions will allow for fiscal intermediary services for the Emergency Medical Services Fund (EMSF) to be provided by Advanced Medical Management Inc. (AMM). AMM has provided fiscal intermediary services since 2018 for the EMSF. The recommended agreement will provide claim-processing services for the Department of Public Health (Department), fully funded with EMSF funds derived from court mandated penalty assessments. AMM was the only vendor that responded to the County's previous request for quotation for these services. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, it would result in a disruption in processing EMSF claims for physicians and physician groups for unreimbursed emergency medical care, which is currently being processed quarterly by AMM.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department's request to suspend the competitive bidding process is consistent with the Administrative Policy No. 34 as Advanced Medical Management was the only vendor to respond to a prior Request for Quotation (RFQ) and shifting claims processing to another vendor or re-establishing internal claims processing for physician claims would cause a disruption in allowing the County to provide funds for unreimbursed emergency medical care claims timely. The Internal Services Division - Purchasing concurs with the Department's request to suspend the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended agreement is fully funded with EMSF funds, which are derived from court-mandated penalty assessments. AMM will continue to receive a \$5 flat rate per claim. The total reimbursement for administration fees will not exceed 9.5% of EMSF revenue or approximately \$78,000 annually. The annual maximum compensation for each year is anticipated at \$530,000, which includes both administration fees and funds for reimbursement on physician claims; \$2,650,000 for the five-year term. However, it is variable and dependent upon the dollar amount of penalties collected by the Court.

Sufficient appropriations and estimated revenues will be included in the Department's Org 5244 FY 2023-24 Recommended Budget and will be included in future budget requests for the term's duration.

DISCUSSION:

The EMSF is administered by the Department to address uncompensated care costs using court-imposed penalty assessments. The Fund is administered pursuant to the California Health and Safety Code, Section 1797.98a. [Senate Bill 12 (Chapter 1240, Statutes of 1987) and Senate Bill 612 (Chapter 945, Statutes of 1988)].

On October 9, 2018, the County entered into Agreement No. 18-584 with AMM for fiscal intermediary services for the EMSF and processing of EMSF claims. Prior to entering into the agreement, the Department was responsible for processing these claims. At that time the Department was experiencing a claims backlog of approximately two years and issued a request for quotation (RFQ #18-013) for a fiscal intermediary for the EMSF in order to alleviate this backlog and provide continuing claims processing services, which resulted in Agreement No. 18-584.

On September 7, 2021, the County approved Agreement No. 21-360 with AMM with the same terms as Agreement 18-584 for one year retroactive to July 1, 2021, through June 30, 2022 with a one year optional term renewal, as processing timelines for exercising the extension clause in Agreement No. 18-584 had been missed.

In accordance with Health and Safety Code, the Department is allocated 10% of the revenue for administrative costs. Of the remaining funds, 58% are earmarked for physicians, 25% for hospitals, and 17% for discretionary uses. The physicians' allocation is earmarked for the reimbursement to physicians providing medical screening, examination, and evaluation of a patient in a hospital Emergency Department to determine if an emergency medical condition exists. If so, reimbursement for the care, treatment, and/or surgery necessary to stabilize the patient, for whom responsible parties have not made payment, can be included. All allowable uncompensated emergency care is then paid through AMM on a per-claim basis.

The recommended agreement would allow AMM to continue to process current and ongoing physician claims. The claims will be submitted directly to AMM and processed in accordance with the County's reimbursement claim procedures.

The recommended agreement may be terminated by the County upon giving a 30-day advanced written notice of an intention to terminate.

The recommended agreement deviates from the standard insurance language requirements, with Cyber Liability and Tech Professional liability limits at \$1 million, down from the County's standard of \$2 million. Risk Management has reviewed the agreement and has recommended that the limit remain at \$2 million. However, AMM has held Cyber and Tech Professional Liability insurance for many years, and the \$1 million is consistent with agreements they have with several other counties, including Sacramento and Orange, and feels that the limits will suffice to cover any potential liability. The Department believes that the benefits of entering into the recommended agreement outweigh any associated risks.

REFERENCE MATERIAL:

BAI #49, September 7, 2021

BAI #43, October 9, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition

On file with Clerk - Agreement with Advanced Medical Management

CAO ANALYST:

Ronald Alexander