



Board Agenda Item 43

DATE: October 9, 2018

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health

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

RECOMMENDED ACTION(S):

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 upon execution, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$3,720,000.

Approval of the recommended action will allow for fiscal intermediary services for the Emergency Medical Services Fund (EMSF) to be provided by Advanced Medical Management Inc. (AMM), selected as the provider following the competitive bidding process on February 5, 2018. The recommended agreement will provide claim-processing services for the Department of Public Health, funded with EMSF funds derived from court mandated penalty assessments. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the Department would continue processing EMSF claims internally; however, the claims backlog would remain unresolved and the Department would need to explore other alternatives to streamline claim-processing.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended agreement is funded with EMSF funds, which are derived from court-mandated penalty assessments. AMM will receive a \$25,000 lump sum implementation fee and a \$5 flat rate per claim. The total reimbursement will not exceed 9.5% of EMSF revenue or approximately \$78,000 annually; \$3,720,000 for the five-year term. The maximum compensation for FY 2018-19 is anticipated at \$1.6 million, due to a two-year backlog of claims. The annual maximum compensation for the four additional years is anticipated at \$530,000; however, it is variable and dependent upon the dollar amount of penalties collected by the Court. Sufficient appropriations and estimated revenues are included in the Department's Org 5244 FY 2018-19 Adopted Budget and will be included in future budget requests for the term's duration.

DISCUSSION:

The EMSF is administered by the Department of Public Health 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)].

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 of the care, treatment, and/or surgery necessary to stabilize the patient for whom responsible parties have not made payment.

At present, physician, hospital, and discretionary claims are processed by Department staff. Issues with internally developed claim-processing software and staffing have resulted in a two-year backlog of physician claims for the Fund prompting the Department to investigate the feasibility of contracting with a fiscal intermediary. Several larger counties across the State utilize a vendor to provide physician claim-processing services.

On October 13, 2017, the Internal Services Department - Purchasing Division issued a request for quotations (RFQ) for a Fiscal Intermediary for the Emergency Medical Services Fund (RFQ #18-013). While the RFQ was widely distributed, AMM was the only respondent. Department staff evaluated the quotation and recommended that a contract should be negotiated with AMM.

The recommended agreement would allow AMM to process current and outstanding 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.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Advanced Medical Management

CAO ANALYST:

Sonia M. De La Rosa