



City of San Antonio

Agenda Memorandum

File Number:14-625

Agenda Item Number: 21.

Agenda Date: 4/10/2014

In Control: City Council A Session

DEPARTMENT: SAFD

DEPARTMENT HEAD: Charles N. Hood

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Public Consulting Group, Inc. professional services agreement

SUMMARY:

An Ordinance authorizing the a one-year extension and amendment of a professional services agreement with Public Consulting Group, Inc. (PCG) to compile the data for the Federal Medicaid Supplemental Payment Program with up to three (3) optional 12-month extensions. The City currently pays PCG twelve (12) percent of all revenues realized for services performed prior to April 15, 2014, associated with FY 2013 costs. This contract amendment allows the City to pay PCG nine (9) percent of all revenues associated with FY 2014 and six (6) percent all revenues until the contract terminates.

BACKGROUND INFORMATION:

On average the City EMS Division annually files over 8,600 claims to Medicaid seeking reimbursement for ambulance services provided to Medicaid beneficiaries. The total amount of the annual claims is approximately \$4.5 million. Medicaid pays approximately 50% per claim with the remaining cost uncollected. In an effort to improve the amount of dollars received from Medicaid, the City has established a Supplemental Payment Program (SPP) that creates the ability to leverage existing revenues in order to receive enhanced funds from Medicaid as allowed by Medicaid regulations.

The EMS Supplemental Payment Program is a state “pass through” program that allows Federal reimbursement to EMS providers that serve Medicaid patients. Expenditures eligible for federal matching must be reported to

the state Medicaid agency (Health and Human Services Commission) for approval from the federal government.

PCG will prepare the necessary documentation and present it to the state Medicaid agency to be approved as a provider. Local governments must submit documentation to the state in order to take advantage of this program.

ISSUE:

This contract will enable the City to take advantage of this Federal program to increase reimbursement for Medicaid and uninsured patient costs. PCG will consult with the Fire Department and act as liaison to State and Federal entities to compile and submit documentation in order to receive enhanced funds from uncollected Medicaid and uninsured costs, as allowed by Medicaid regulations. Achieving the state designation is expected to generate new revenue associated with EMS transports of patients insured under Medicaid and uninsured patients. The term of the contract shall commence 10 calendar days after the passage of this ordinance and terminate on April 15, 2015. The San Antonio Fire Department and PCG estimates the Supplemental Payment Program could produce an additional \$5.8 million in revenue for the City.

ALTERNATIVES:

If this council item is not approved, PCG's contract will terminate on April 15, 2014, and SAFD will miss an opportunity to collect an additional \$5.8 million in annual revenue for Emergency Medical Services. If approved, the consultants' fee will be reduced to nine (9) percent for Federal Fiscal Year 2013 and six (6) percent for the remaining years of the contract.

FISCAL IMPACT:

The Supplemental Payment Program is anticipated to result in the collection of approximately \$5.8 million in additional revenue annually. Of the additional revenue collected under this program, PCG would be entitled to receive 9% for the FY 2013 reporting period and 6% until the contract terminates. This program would not impact revenues already being collected by the City. Funding for this contract is contingent upon future City Council appropriation.

RECOMMENDATION:

Staff recommends authorizing a one-year extension and amendment of a professional services agreement with Public Consulting Group, Inc. (PCG) to compile the data for the Federal Medicaid Supplemental Payment Program with up to three (3) optional 12-month extensions.