



## Cover Memorandum/Staff Report

File #: 19-722

Agenda Date: 7/9/2019

Item #: 6.H.2.

**TO:** Mayor and Commissioners  
**FROM:** L. Keith Tomey III, Acting Fire Chief  
**THROUGH:** Neal de Jesus, Interim City Manager  
**DATE:** July 9, 2019

APPROVAL OF RESOLUTION NO. 136-19 TO APPROVE AN AGREEMENT WITH ADVANCED DATA PROCESSING, INC., A SUBSIDIARY OF INTERMEDIX CORPORATION, FOR PROFESSIONAL PUBLIC EMERGENCY MEDICAL TRANSPORTATION (PEMT) PROGRAM SERVICES; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND TAKE ALL ACTIONS NECESSARY TO EFFECTUATE THIS AGREEMENT; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

### **Recommended Action:**

Motion to Approve Resolution No. 136-19 to approve an agreement based upon Contract No. 17-SQ-68BB between Volusia County, Florida and Advanced Data Processing, Inc. (ADPI) for a Public Emergency Medical Transportation (PEMT) Program for the City of Delray Beach Fire Department and authorize the City Manager to execute a master service agreement with ADPI and authorize the City Manager to approve renewal options; contingent upon renewal by Volusia County.

### **Background:**

The Florida Fire Chiefs Association has been working with the Agency for Health Care Administration (AHCA) to develop a program for Florida jurisdictions providing 911 emergency transport services. The funding initiative is called the Public Emergency Medical Transportation (PEMT) Program, which was recently approved in FY 2015 as a State Plan Amendment by AHCA in cooperation with the Centers of Medicaid and Medicare Services (CMS), the federal agency responsible for the Medicaid Program.

All governmental (publicly funded) entities providing emergency medical service (EMS) transports may participate in this program. The program provides supplemental payments for an eligible PEMT entity that meets specified requirements and provides emergency medical transportation to Medicaid patients. The PEMT program will reimburse a portion of Delray Beach Fire Rescue Medicaid fee-for-service costs.

AHCA recently established the Florida PEMT as a Certified Public Expenditure (CPE) Program, designed to reimburse providers based on their actual costs of providing emergency medical services to Medicaid-eligible patients. The reimbursement payment is based on claiming federal financial participation on CPEs that have already been incurred by the public provider. Currently, Medicaid payment rates for ambulance services do not recognize the actual cost of providing the services. The average Medicaid payment to Delray Beach Fire Rescue is approximately \$190 per eligible transport. Based on an assumed cost per eligible transport of \$700, there is an estimated unfunded portion of \$510 per transport for Medicaid patients. The actual cost per transport will be determined after AHCA

submission and review.

The basis for the CPE program is found in federal regulation under 42 CFR 433.51, which establishes the authority for states to submit to the federal government CPEs for the delivery of specific health care services (of which EMS is one) to medical patients.

On July 7, 2017, Volusia County approved an Agreement with ADPI in order to effectuate this cost recovery program. There are no application fees or direct costs for participation in this program. There is a contingency fee of 12% of net reimbursements that have been agreed upon between the County and ADPI and are included in the proposed contract.

This is a cost recovery program; thus ADPI will only be paid if the City gets paid. Based upon historical data, the City estimates recovering approximately \$164,560 net revenue per year through this Agreement for Phase 1 reimbursements. This is calculated based on estimated reimbursements of \$187,000 annually minus 12% fees to the vendor of \$22,440. If the State of Florida approves Phase II reimbursements, the reimbursement total may more than double.

This motion is in accordance with the Code of Ordinances Chapter 36, Commission Approval Required and Purchasing Policies, Accessing Contracts from Other Government Agencies and Not-for-Profit Organizations.

**Attachments:**

1. Master Service Agreement with Advanced Data Processing, Inc.
2. Resolution No. 136-19
3. Legal Review Checklist for the Master Service Agreement
4. Volusia County 17-SQ-68BB Signed Agreement with ADPI

Initial Term:	Approval Date - July 6, 2020	Est. Revenue - \$164,560
Renewal Term 1	July 7, 2020 - July 6, 2021	Est. Revenue - \$164,560
Renewal Term 2	July 7, 2021 - July 6, 2022	Est. Revenue - \$164,560
Total Est. Value (Revenue)		\$493,680

**City Attorney Review:**

City Attorney recommends approval of this motion.

**Funding Source/Financial Impact:**

N/A; This is a cost recovery contract.

**Timing of Request:**

N/A