



City of Culver City

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Staff Report

File #: 19-1297, **Version:** 1

Item #: C-9.

CC - FOUR-FIFTHS VOTE REQUIREMENT: Approval of a Budget Amendment to Appropriate Funds to Pay State-Mandated Quality Assurance Fees.

Meeting Date: May 28, 2019

Contact Person/Dept: Ken Powell/Fire Department

Phone Number: (310) 253-5910

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☒ No ☐

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (05/22/19);

Department Approval: David White/Fire Department (05/10/19)

RECOMMENDATION

Staff recommends that the City Council approve a budget amendment to appropriate \$86,084.76 to pay State-mandated Quality Assurance Fees (**requires four-fifths vote**).

BACKGROUND/DISCUSSION

The California Department of Health Care Services (DHCS) established the Ground Emergency Medical Transport (GEMT) Quality Assurance Fee (QAF) program in accordance with State Senate Bill (SB) 523. The intent of SB 523 is to disburse higher payments to GEMT providers for Medi-Cal transports. DHCS imposes a fee on all GEMT providers' emergency medical transports to increase federal financial participation.

On February 7, 2019, the Centers for Medicare & Medicaid Services approved State Plan Amendment (SPA) 18-004, effective July 1, 2018. SPA 18-004 provides a reimbursement rate add-on to certain GEMT services rendered on or after July 1, 2018 through June 30, 2019. According to SB 523, should there be a delay in implementation of the article, the DHCS director shall establish a schedule for payment of retroactive fees.

On April 30, 2019, the DHCS notified staff of the following retroactive payment due dates.

- April 30, 2019 - 2018 Q2
- May 15, 2019 - 2018 Q3
- June 15 2019 - 2018 Q1 and 2018 Q4

All due dates have a 45-day period before they are subject to penalties.

FISCAL ANALYSIS

The total State-mandated QAF assessment due is \$86,084.76. The reimbursement rate add-on offset will appear in increased Medi-Cal payments for certain transports occurring in FY 2018-19. To illustrate the offset, attached is a table outlining the anticipated add on revenue correlated to QAF quarterly assessments.

The QAF program will continue into future years at the discretion of the DHCS director. The DHCS director shall determine the QAF rate every June 15. Staff included estimated revenues and expenditures for the QAF program in the FY 2019-20 proposed budget.

Staff recommends the City Council approve a budget amendment appropriating \$86,084.76 from the General Fund Reserve to the QAF Fees account 10145200.514010 to pay for the State-mandated QAF assessment.

A budget amendment requires a four-fifths vote.

ATTACHMENTS

1. 2019-05-28 - ATT QAF Payment Amounts, Due Dates and Add-On Revenue

MOTION

That the City Council:

1. Approve a budget amendment to transfer \$86,084.76 from Unappropriated General Fund Reserves to Appropriate \$86,084.76 to QAF Fees 10145200.514010 (**requires a four-fifths vote**).