

Memorandum



CITY OF DALLAS

DATE August 16, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Ambulance Services Hardship Assistance Policy**

Dallas Fire-Rescue (DFR) provides residents and non-residents with emergency medical ambulance service within the City as authorized by the Dallas City Code. Services are provided for a fee per City Council Ordinance. There are two revenue sources for ambulance services: Emergency Medical Services (EMS) Ambulance and Ambulance Supplemental Payment Program (ASPP).

EMS Ambulance Revenue

Services provided on medical runs that result in a patient being transported to an area hospital or treated on-scene and not transported. Fees for this service are established after an independent fee study for full cost recovery and are adopted by City Council.

Ambulance Supplement Payment Program (ASPP) Revenue

The ASPP is approved by the Centers for Medicare and Medicaid Services (CMS) and administered by Texas Health and Human Services Commission (HHSC). The Program originally provided additional reimbursement to governmental ambulance providers that served Medicaid and uninsured patients. The Program allowed reimbursement for the difference between the cost and charges for providing EMS Ambulance services (subtracting payments).

The ASPP Program was previously set to expire on December 31, 2017. However, CMS granted the State of Texas an extension for another five years through September 2022. The extension required changes in the methodology to reflect only uncompensated charity care costs are eligible to become effective October 1, 2019. To meet this requirement and continue participation in the ASPP, the City is required to implement a charity care (hardship assistance) policy. The Dallas Ambulance Services Hardship Assistance Policy has been developed and is ready for consideration by City Council on August 28, 2019.

Effective October 1, 2019, the Ambulance Services Hardship Assistance Policy will allow patients transported to hospitals by DFR and who are unable to pay for all or part of the EMS Ambulance services bill due to limited income, an opportunity to apply for a discount off their bill. The balance after the hardship discount will be considered for reimbursement in the ASPP program under the new methodology.

DFR's ambulance billing company will notify patients through the invoice about the Hardship Assistance Policy. The patient will be responsible for applying and receiving approval from the billing company by providing proof of income. The Hardship Assistance Policy follows the Federal Poverty Level (FPL) income guidelines. Patients may receive

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a percentage write-off of charges if Adjusted Gross Income (AGI) falls below the threshold.

For example:

AGI Below Poverty Level	Percentage Write-Off
125% below level	100%
150% below level	75%
175% below level	50%
200% below level	25%

Hardship Calculation Factors	Example 1 Family of 4 (Below 200% FPL)	Example 2 Family of 4 (Below 175% FPL)
FY17 Avg EMS ambulance bill	\$1,621	\$1,621
Family AGI	\$49,500	\$44,900
2019 FPL (Min. needed AGI)	\$25,750	\$25,750
Family FPL%	192%	174%
Current Federal set FPL%, \$	200%, \$51,500	175%, \$45,063
% Write off per proposed policy	25%, \$405	50%, \$810
Balance considered under ASPP	\$1,216	\$811
Based on FY17 ASPP payment rate (56.18%) City's possible reimbursement amount	\$683	\$456

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Please let me know if have any additional questions.



Domonique Artis
Fire Chief

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
Michael Mendoza, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors

STRATEGIC PRIORITY: Public Safety
AGENDA DATE: August 28, 2019
COUNCIL DISTRICT(S): N/A
DEPARTMENT: Fire-Rescue Department
EXECUTIVE: Jon Fortune

SUBJECT

An ordinance amending Chapter 15D, “Emergency Vehicles,” of the Dallas City Code by amending Sections 15D-4 and 15D-5; **(1)** providing a definition of hardship assistance; **(2)** adding a reduction to ambulance service fees with approved hardship assistance; **(3)** providing authority to create a hardship assistance policy and procedure; and **(4)** providing a penalty not to exceed \$500.00, effective October 1, 2019 - Financing: No cost consideration to the City (see Fiscal Information)

BACKGROUND

Emergency Medical Services:

The City of Dallas (“City”) according to its Charter and City Code through the Fire-Rescue Department provide residents and non-residents with emergency ambulance services within the city. These emergency services are provided for a fee authorized by City Council Ordinance without discrimination and regardless of financial conditions and ability to pay for the services. City recognizes that it may provide emergency ambulance services to individuals who are uninsured, unable to pay based on their current financial situation, and ineligible for support from applicable government healthcare benefit program(s).

Ambulance Supplemental Payment Program (ASPP):

The Ambulance Supplemental Payment Program (ASPP) is a federal program approved by Center for Medicare and Medicaid Services (CMS) and administered by the State of Texas Health and Human Services Commission (HHSC). ASPP is federally funded through Medicaid 1115 Waiver and authorized under Texas Administrative Code, Ch. 354A, which allows cost reimbursement for Medicaid Managed Care and the Uninsured, in addition to Medicaid fee-for-service to governmental ambulance providers. Program allows for reimbursement for the difference between the cost and charges (subtracting payments of providing ambulance services to Medicaid and Uninsured patients. A cost report is submitted annually within 180 days after the close of the fiscal year. The reimbursement amount to governmental ambulance providers is calculated by applying a Federal Matching Assistance Percentage (FMAP) assigned annually for each state.

Initially the ASPP was approved for five years ending December 31, 2017. Effective October 1, 2019, the City is required to implement a charity care or the hardship assistance policy to continue its participation in the program.

City Participation and Financial Impact:

City of Dallas applied and received approval to participate in the program effective March 1, 2012. Since the inception of the program, the city has received reimbursement payments, in the amount of \$81.0 million, allowing the City to further recover a portion of an uncollectable payment from Medicaid patients and uninsured patients. As represented below City’s reimbursement amount has varied based in part the FMAP and fund availability:

Activity Year	TX FMAP	Received Payments
FY 2012	58.22%	\$8.4M
FY 2013	59.30%	\$11.5M
FY 2014	58.69%	\$10.7M
FY 2015	58.05%	\$8.3M
FY 2016	57.13%	\$22.2M
FY 2017	56.18%	\$20.2M
FY 2018*	56.88%	\$17.5M
FY 2019*	58.19%	\$17.5M
FY 2020**	60.89%	\$12.6M
*FY18 and FY19 are projections only		
**FY20 will be impacted by the new charity-care policy		

ASPP Renewal:

The initial five-year ASPP (1115 Waiver) program was set to expire December 31, 2017. In early 2018, CMS granted State of Texas extension for another five years through September 2022. However, the extension required change in methodology to only include uncompensated charity care costs effective October 1, 2019. This means, fiscal 2018 that is under review by HHSC and the current fiscal year ending on September 30, 2019 will be reimbursed under the current old methodology of considering the services cost to provide the emergency ambulance services to Medicaid Managed Care and uninsured patients. Effective October 1, 2019, the City is required to implement a charity care or the hardship assistance policy to continue its participation in the program. The program has been developed and ready for implementation on time.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

If the hardship assistance policy is not in place by October 1, 2019, the City of Dallas will no longer be eligible to further participate in the ASPP. This will result in revenue loss in FY21 when the ASPP's projected \$12.6M for FY20 activities would be paid.

ORDINANCE NO. _____

An ordinance amending Chapter 15D, “Emergency Vehicles,” of the Dallas City Code by amending Sections 15D-4 and 15D-5; providing a definition of hardship assistance; adding a reduction to ambulance service fees with approved hardship assistance; providing authority to create a hardship assistance policy and procedure; providing a penalty not to exceed \$500; providing a saving clause; providing a severability clause; and providing an effective date.

WHEREAS, the city council finds that the provision of ambulance services to every resident of the City of Dallas is essential to the health and safety of all residents health; and

WHEREAS, the city council finds the cost of ambulance service is a hindrance to healthcare services for many residents; and

WHEREAS, the City of Dallas finds that establishing a hardship assistance program to defray the costs of ambulance services is a matter of public health and safety and serves the public purpose of making emergency medical services more readily available to residents; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Section 15D-4, “Definitions,” of Division 1, “General Provisions,” of Article I, “Ambulances,” of Chapter 15D, “Emergency Vehicles,” of the Dallas City Code is amended by adding a new paragraph (18.1) to read as follows:

“(18.1)HARDSHIP ASSISTANCE means the reduction of ambulance service charges assessed to a transported patient or the payment-responsible party on behalf of a transported patient approved by the city manager, department director, or designee.”

SECTION 2. That Paragraph (c) of Section 15D-5, “Emergency Ambulance Service Provided by Fire Department; Fee,” of Division 2, “Emergency Medical Services,” of Article I,

“Ambulances,” of Chapter 15D, “Emergency Vehicles,” of the Dallas City Code is amended to read as follows:

“(c) The person receiving emergency ambulance service, whether transported by ambulance or treated without being transported by ambulance, and any person contracting for the service shall be responsible for payment of all fees less any reduction in fees received from hardship assistance. In the case of service received by a minor, the parent or guardian of the minor shall be responsible for payment of all fees less any reduction in fees received from hardship assistance on behalf of the qualifying minor.”

SECTION 3. That Section 15D-5, “Emergency Ambulance Service Provided by Fire Department; Fee,” of Division 2, “Emergency Medical Services,” of Article I, “Ambulances,” of Chapter 15D, “Emergency Vehicles,” of the Dallas City Code is amended by adding a new paragraph (e) to read as follows:

“(e) The city manager or his or her designee shall adopt an ambulance hardship assistance policy and the procedures for administering the policy.”

SECTION 4. That a person violating a provision of this ordinance, upon conviction, is punishable by a fine not to exceed \$500.

SECTION 5. That Chapter 15D of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 6. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 7. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 8. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, Interim City Attorney

By _____
Assistant City Attorney

Passed _____