



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 220529

Introduced May 26, 2022

**Councilmember Bass
for
Council President Clarke**

**Referred to the
Committee on Finance**

AN ORDINANCE

Authorizing the Fire Commissioner and the Revenue Commissioner, on behalf of the City, to enter into an intergovernmental agreement with the Commonwealth of Pennsylvania, Department of Human Services to enable the City to maintain and provide access to emergency medical services, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Fire Commissioner and the Director of Finance, on behalf of the City of Philadelphia (the "City"), are hereby authorized to enter into an intergovernmental agreement (the "IGT") with the Commonwealth of Pennsylvania, Department of Human Services ("DHS"), substantially in the form set forth in Exhibit A, pursuant to which DHS will help enable the City to maintain and provide continued access to emergency medical services in the City, under certain terms and conditions.

SECTION 2. The City Solicitor shall include in said IGT such terms and conditions as she may deem necessary to protect the interests of the City.

City of Philadelphia

BILL NO. 220529 continued

EXHIBIT A INTERGOVERNMENTAL AGREEMENT

City of Philadelphia

BILL NO. 220529 continued

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement (“Agreement”) is made between the Commonwealth of Pennsylvania, Department of Human Services, (“Commonwealth” or “DHS”) and the City of Philadelphia, acting through its **XXXXXXXXXXXX** (“Philadelphia” or “the City”),

WHEREAS, DHS is the single state agency responsible to administer the Medicaid Program in Pennsylvania, known as the Pennsylvania Medical Assistance (“MA”) Program;

WHEREAS, the City owns and operates the City’s Emergency Medical Services provider(s) (“City EMS”) that participates as an enrolled provider(s) in the MA Program;

WHEREAS, the City EMS provides essential emergency medical services and serves as a vital safety net for numerous MA beneficiaries and other Philadelphia residents;

WHEREAS, the City EMS incurs substantial costs to provide emergency medical services to MA beneficiaries;

WHEREAS, DHS, as part of its administration of the MA Program, is authorized to make payments for emergency medical services provided to MA beneficiaries and payments to managed care organizations; and,

WHEREAS, DHS will seek the approval of the Centers for Medicare & Medicaid Services (“CMS”) to implement within Pennsylvania’s MA program managed care delivery system minimum ground ambulance transportation fees (“Fee Schedule”), which upon CMS approval will make additional funds available to DHS to enable the City EMS to maintain and provide continued access to emergency medical services for MA beneficiaries in the City.

NOW, THEREFORE, the parties, with the intention of being legally bound, . agree as follows:

1. Conformity of Services.

The City may bill Managed Care Organizations (“MCOs”) participating in the Pennsylvania MA program managed care delivery system at rates equal to 105% of the Medicare Base Urban Fee Schedule for Philadelphia for services rendered to covered MA beneficiaries upon CMS approval of the Fee Schedule.

The following Appendices are incorporated by reference and made part of this Agreement. For purposes of these Appendices, the term “Contractor” means the City and “Contract” means this Agreement.

- Appendix A Nondiscrimination/Sexual Harassment Clause
- Appendix B Contractor Integrity Provisions

City of Philadelphia

BILL NO. 220529 continued

Appendix C Contractor Responsibility Provisions
Appendix D Americans with Disabilities
Appendix E Right to Know Law 8-K-1580
Appendix F Audit Clause E

2. Effective Date and Term of Agreement.

This Agreement is effective the later of January 1, 2023, or the effective date of the initial CMS-approved State Directed Payment Preprint document in accordance with 42 CFR § 438.6(c) (“Preprint”). The term of the Agreement is two years or 8 quarters of executed intergovernmental transfers (“IGT”) of payment between the City and DHS, whichever is longer (“Term”), provided, that upon mutual agreement, the parties may extend this Agreement for three one-year periods, upon the same terms and conditions with the option to expand to MA enrollees covered under the Pennsylvania’s MA program Fee-for-Service delivery system. If CMS approval is not obtained or is withdrawn for any time during the Term of this Agreement, this Agreement shall terminate consistent with the effective date of CMS disapproval or withdrawal of CMS approval.

3. Information.

Upon DHS's request, the City shall deliver to the DHS background material and other information prepared or obtained by the City incident to the performance of this Agreement or as DHS determines necessary to support DHS’s claims for federal financial participation for payments made to the City EMS pursuant to the Fee Schedule. This provision shall survive expiration or termination of this Agreement.

4. Conflict of Interest.

The City certifies that it presently has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services under this Agreement. The City further assures that in the performance of this Agreement, it will not knowingly employ any person having such interest.

5. Interest of the Commonwealth and Others.

No officer, member or employee of the Commonwealth and no member of its General Assembly, who exercises any functions or responsibilities under this Agreement, shall participate in any decision relating to this Agreement, which affects his or her personal interest or the interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested; nor shall any such officer, member or employee of the Commonwealth or member of its General Assembly have an interest, direct or indirect, in this Agreement or any proceeds from this Agreement.

6. Audit Clause.

City of Philadelphia

BILL NO. 220529 continued

This Agreement is subject to audit in accordance with the attached Appendix F, Audit Clause E, incorporated herein.

7. Notice.

Any written notice to any party under this Agreement shall be deemed sufficient if delivered personally, or by a recognized overnight courier service (e.g., DHL, Federal Express), with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, sent to the address set forth below or to such other address or using a delivery method, (provided such delivery is confirmed), as such party may designate by notice given pursuant to this section:

For DHS:

Deputy Secretary
Office of Medical Assistance Programs
Room 515
Health & Welfare Building
625 Forster Street
Harrisburg, PA 17120

With copy to:

Chief Counsel
Department of Human Services
Third Floor West
Health & Welfare Building
625 Forster Street
Harrisburg, PA 17120

For the City:

XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

And to:

City Solicitor
One Parkway Building
1515 Arch Street, 17th Floor
Philadelphia, PA 19102

City of Philadelphia

BILL NO. 220529 continued

8. Responsibilities of the City.

- a. The City shall submit all documentation required by DHS to implement the Fee Schedule for the City EMS in the manner and timeframes specified by DHS, including but not limited to submitting such information to DHS as may be requested pursuant to section 3 above.
- b. Quarterly, the City shall make an electronic transfer of funds into a Commonwealth account in the general fund to be specified by DHS. The City shall transfer funds to the Commonwealth on the first Friday occurring at least ten business days after receipt of the written notice of the amount of the transfer as set forth in section 9.c.. If the day on which a transfer is due falls on a City holiday, the City shall make the payment on the next business day. The City shall commence making the quarterly payments under this section two months following the end of the first quarter after the Effective Date.
- c. The City shall only transfer funds to the Commonwealth under this Agreement that satisfy the requirements of 42 CFR § 433.51, and are not derived from an impermissible source, including but not limited to recycled Medicaid payments, federal money precluded from use as the state share, impermissible taxes, and non-bona fide provider-related donations.
- d. The City shall maintain all records relating to this Agreement and payments made to the City EMS pursuant to the Fee Schedule that are required by federal and state laws and regulations as well as any additional requirements imposed by CMS or the Commonwealth.

9. Responsibilities of DHS.

- a. DHS will submit to CMS a Preprint and any other submissions as may be federally required and as may be applicable under 42 CFR § 438.6(c) to seek approval to authorize the Fee Schedule.
- b. Prior to each transfer of funds under section 8.b., DHS will calculate a payment amount for the City in accordance with the CMS-approved Fee Schedule. Each quarter, DHS will determine monthly capitation payment amounts for the prior three months resulting from the Fee Schedule. These capitation payment amounts will include both Physical Health HealthChoices (“PH-HC”) and Community HealthChoices (“CHC”) services. The funds transferred by the City to the Commonwealth each quarter will provide the non-federal share of these capitation payments from DHS to PH-HC and CHC managed care organizations resulting from the increased Fee Schedule amounts and provide for an administrative fee to DHS.

City of Philadelphia

BILL NO. 220529 continued

- c. Prior to the transfer of funds from the City to the Commonwealth as set forth in section 8.b., DHS will provide the City with written notice of the amount due, as set forth in section 9.b..
- d. DHS will provide the City with sufficient information to allow for the timely electronic transfer of the funds into a Commonwealth account.

10. CMS Approval Requirement.

The annual implementation of the payments under the Fee Schedule referenced in this Agreement is contingent upon CMS approval.

11. Consequences Of CMS Disallowances Or Disapproval.

- a. **Indemnification by City to the State.** If, after the City has completed one or more quarterly transfers of funds to the Commonwealth and DHS has made payments to the City EMS in accordance with the Fee Schedule, CMS disallows all or some of the Federal Financial Participation related to the transferred funds or payments for which transferred funds were used, the City shall pay DHS only the disallowed Federal Financial Participation, including any interest and penalty, or otherwise hold DHS harmless subject to applicable law. This section applies to all transfers completed and payments made under the Fee Schedule throughout the Term of this Agreement.
- b. **Return of Funds by the State to the City.** If, after the City has completed a quarterly transfer of funds to the Commonwealth but before DHS makes the corresponding payment to the City EMS in accordance with the Fee Schedule, CMS, for any reason, does not permit or revokes approval of the Fee Schedule, DHS will return the same amount of funds transferred by the City under the terms of sections 8.b. and 9.b. above to the City and make its best effort to do so within 30 calendar days of DHS receiving such notification.

12. Applicable Law.

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

13. Assignment.

Neither the City nor DHS may assign any of the duties or rights set forth in this Agreement under any circumstances.

14. Amendment.

City of Philadelphia

BILL NO. 220529 continued

This Agreement contains all terms and conditions agreed upon by the parties hereto, and no other agreement, oral or written, regarding the subject matter of this Agreement, shall be deemed to exist or to bind any of the parties hereto.

15. Severability.

The provisions of this Agreement are severable and to the extent that any portion is deemed legally unenforceable, the remaining provisions shall remain in full force and effect.

16. Counterparts.

This Agreement may be executed by the parties hereto in any number of separate counterparts and all such counterparts, when together, shall be deemed to constitute one and the same instrument.

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City of Philadelphia

BILL NO. 220529 continued

IN WITNESS WHEREOF, the parties have caused this Intergovernmental Agreement to be executed by their duly authorized officials.

Commonwealth of Pennsylvania Department of Human Services

Secretary or designee Date

DHS Office of General Counsel Date

Governor's Office of General Counsel Date

Office of Attorney General Date

The City of Philadelphia
Acting through its **XXXXXXXXXXXXXXXXXX**

XXXXXXXXXXXXXXXXXX Date

and its Office of the Director of Finance

Director of Finance Date

Approved as to Form
City Solicitor

Per _____
Chief Deputy City Solicitor Date

City of Philadelphia

BILL NO. 220529 continued