



Agenda Item

Orange City Council

Item #: 3.9.

1/13/2026

File #: 25-0689

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Sean deMetropolis, Fire Chief

1. SUBJECT

Appropriation of an amount not to exceed \$1,500,000 from the Emergency Transport fund to the California Department of Health Care Services for participation in a one-time Public Provider Ground Emergency Medical Transportation Intergovernmental Transfer Program.

2. SUMMARY

The City of Orange is a participating funding entity in the Public Provider Ground Emergency Medical Transportation program and is contributing to the Intergovernmental Transfer Program for the twelve-month period ending December 31, 2026. This participation enables the city to access additional Federal Medicaid funds to support unreimbursed medical care.

3. RECOMMENDED ACTION

Authorize the appropriation from the Emergency Transport Fund (225) for an amount not to exceed \$1,500,000 to the California Department of Health Care Services, along with a \$150,000 assessment fee to the California Department of Health Care Services for managing the Public Provider Ground Emergency Medical Transportation program, payable in quarterly Intergovernmental Transfers.

4. FISCAL IMPACT

Reimbursable funds of \$1,650,000 will be used to obtain approximately \$2,500,000 in previously unreimbursed Medicaid revenue add-ons, resulting in a net benefit of \$850,000, and will be advanced through the Emergency Transport Fund (225) respectively: 225-0000-12101.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Safety Services

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability

6. DISCUSSION AND BACKGROUND

An Intergovernmental Transfer (IGT) allows California's Medi-Cal Managed Care and Fee For Service plans to partner with local units of government to access additional Federal Medicaid dollars and use them to support unreimbursed care and provide health care services. The City has participated in IGT programs for Federal funds for unreimbursed care since 2014. In 2019, AB 1705 was signed into law, creating the Public Provider Ground Emergency Medical Transportation (PP-GEMT) program. Per transport, the total reimbursement under the new PP-GEMT IGT Program is higher than what was received historically under the existing Ground Emergency Medical

Transportation Quality Assurance Fee (QAF) program. These contributions are voluntary; however, if the California Department of Health Care Services (DHCS) determines that the projected amount of voluntary contributions is not sufficient to support the implementation of the program, the program would not be continued in future rating periods. If the program ends, public GEMT providers would revert to reimbursement under existing programs, including the GEMT Certified Public Expenditure (CPE) Supplemental Payment Program (AB 678) and GEMT-QAF (SB 523).

Payments for this program will require four quarterly installments, with the first transfer due in January 2026. Estimates for Calendar Year (CY) 2026 PP-GEMT reimbursements provided by DHCS for Medi-Cal Managed Care and Fee For Service Plans are below.

IGT Contribution from City	\$1,500,000
10% Admin Fee	\$150,000
Total IGT Transfer to DHCS for CY 2025 Program	\$1,650,000
Estimated unreimbursed IGT Revenue available	\$2,500,000
Estimated Net Revenue	\$850,000

7. ATTACHMENTS

- Attachment 1 DHCS IGT Certification Form for CY 2026
- Attachment 2 DHCS CY 2026 Invoice #1
- Attachment 3 Assembly Bill 1705 (AB 1705)