



# City of San Antonio

## Agenda Memorandum

**File Number:**

---

**Agenda Item Number:** 27

**Agenda Date:** May 18, 2023

**In Control:** City Council A Session

---

**DEPARTMENT:** Health Department

**DEPARTMENT HEAD:** Claude Jacob

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Authorizing acceptance of additional funds for Year 1 of the Public Health Provider – Charity Care Program and ratifying Metro Health’s charity care policy.

**SUMMARY:**

This Ordinance authorizes the acceptance of additional funds reimbursed from the Texas Health and Human Services Commission (HHSC) for the San Antonio Metropolitan Health District’s (Metro Health’s) participation in Year 1 of the Public Health Provider – Charity Care Program (PHP-CCP) in an amount up to \$22,792.94 for services provided during the period beginning October 1, 2021 through September 30, 2022

This Ordinance also ratifies the execution of Metro Health’s charity care policy to align with Year 2 of the PHP-CCP, which began on October 1, 2022.

**BACKGROUND INFORMATION:**

On December 22, 2021, HHSC received federal approval of the Public Health Provider – Charity Care Program (PHP-CCP) Protocol from Centers for Medicare and Medicaid Services (CMS). PHP-CCP was designed to allow qualified providers to receive reimbursement for the cost of delivering healthcare services, including behavioral health services, immunizations, and other

preventative services, when those costs are not reimbursed by another source. The program is authorized under the 1115 Waiver Program. Year 1 of the program consisted of uncompensated care and Medicaid shortfall. Beginning October 1, 2021, the PHP-CCP became operational and allowed certain providers, including local health departments and public health districts established under the Texas Health and Safety Code Chapter 121, to receive a supplemental payment for certain medical services. Payments from the pool are to defray the cost of uncompensated costs of providing medical services to Medicaid eligible or uninsured individuals.

In Year 2, the program transferred from all uncompensated care to charity care only, and participating providers were required to create a charity care policy. Charity care includes healthcare services, including behavioral health services, vaccine services, public health services, and other preventative services, provided without expectation of reimbursement to uninsured patients who meet the provider's charity-care policy. Metro Health's policy aligns with Texas Health and Safety Code, Section 121.006 and Section 15-2 of the San Antonio City Code.

Metro Health, by San Antonio City Council adoption, may charge fees for some public health services; however, Metro Health will not deny public health services to an individual because of their inability to pay for the services and will provide for the reduction or waiver of a fee for an individual who cannot pay for services in whole or in part.

#### **ISSUE:**

On January 23, 2023, through Ordinance 2023-01-26-0038, City Council authorized Metro Health's acceptance of funds reimbursed through Year 1 of the PHP-CCP in an amount up to \$350,000.00. HHSC reimbursed Metro Health \$372,792.94 for participation in Year 1 of PHP-CCP. Metro Health now requests authorization to accept the additional funds from HHSC the amount of \$22,792.94.

Starting with Year 2 of PHP-CCP, and for subsequent years, providers were required to create a charity care policy for their organization. The Texas Administrative Code (TAC) rule 355.8217 states that the policy should adhere to the charity-care principles of the Healthcare Financial Management Association Principles and Practices Board Statement 15 (HFMAPPBS). The HFMAPPBS indicates that charity care and collection policies should be clearly documented and approved by the provider's governing body. Metro Health will be required to submit the approved policy, along with the Year 2 cost report tool, to HHSC in November 2023. Therefore, Metro Health requests City Council ratify the department's charity care policy, which has an effective date of October 1, 2022, to align with and meet the requirement for participation in PHP-CCP for Year 2 and beyond.

#### **ALTERNATIVES:**

Should City Council choose not to approve this Ordinance, Metro Health will not be able to accept the additional funds received from HHSC for participation in Year 1 of the PHP-CCP. Metro Health will also not have an approved charity care policy, which is a requirement to participate in PHP-CCP starting in Year 2.

**FISCAL IMPACT:**

This Ordinance authorizes the acceptance of additional funds reimbursed from the HHSC for Metro Health's participation in Year 1 of the PHP-CCP in the amount of \$22,792.94.

There is no fiscal impact associated with ratification of Metro Health's charity care policy for participation in the PHP-CCP beginning in Year 2 of the program.

**RECOMMENDATION:**

Staff recommends approval of the Ordinance authorizing Metro Health's acceptance of additional funds from HHSC for participation in Year 1 of the PHP-CCP in the amount of \$22,792.94 and ratification of the department's charity care policy for continued participation in PHP-CCP for Year 2 and beyond.