MOTION BUDGET & FINANCE

The California Welfare and Institutions Code (WIC) Sections 14301.4 and 14164 establishes the Intergovernmental Transfer (IGT) program enabling a public entity, providing health care services to Medi-Cal managed care (HMO) beneficiaries, to transfer funds to the State Department of Health Care Services (DHCS) in support of the Medi-Cal program. These funds are used by the DHCS to obtain increased matching funds from the Federal Center for Medicare and Medicaid Services (CMS) to support Medi-Cal health care services provided by participating public agencies. The City received IGT program net revenue for Los Angeles Fire Department (LAFD) transports of approximately $6 million for FY 2014-15; $6.9 million for FY 2015-16; $7.8 million for FY 16-17; $7.1 million for FY 18-19; $7.1 million for FY 19-20; $3.2 million for FY 20-21; $4.5 million for FY21-22; $7.4 million for FY 22-23; and $8.4 million for FY 25-26.

On July 17, 2026, the DHCS notified the LAFD of the November 20, 2026 deadline to transfer estimated funds totaling $7,078,081 to participate in the CY 2025 IGT program which is expected to generate net revenue of $4 million to meet this year's budgetary obligations. This revenue is applied toward LAFD emergency medical and ambulance transport services, consistent with IGT program requirements. Below is a breakdown of the IGT transfer amount, administrative fees to the DHCS and Health Care Plans (HCPs) contracted with the State to administer the IGT, and projected net revenue.

IGT Amount (a)	Potential Federal Match (b)	Total a + b	(Administrative Fees to HCPs @ 6% IGT Amount)	Potential Total Payment to the City	(Transfer Total to DHCS: IGT + 20% Admin Fee to DHCS)	**Projected Net Revenue**
$5,898,401	$5,898,401	$11,796,802	($707,808)	$11,088,994	($7,078,081)	**$4,010,913**

The proposed IGT transfer to DHCS of approximately $7.0 million and not to exceed $7.4 million would be loaned from the LAFD Salaries Sworn Account 001012, to be reimbursed following receipt of payment from DHCS through the State contracted Health Care Plans. The reimbursements are expected to occur prior to the close of the fiscal year.

I THEREFORE MOVE that City Council, subject to approval of the Mayor:

1. Authorize the Controller to:
   (a) Transfer $7.4 million within Fire Department Fund No. 100/38 from Salaries Sworn Account No. 001012 to the Contractual Services Account No. 003040;
   (b) Electronically transfer an amount not exceeding $7.4 million, based on the actual invoice, therefrom to the State Department of Health Care Services by no later than November 20, 2026 for Fire Department (LAFD) participation in the CY 2025 Medi-Cal Intergovernmental Transfer (IGT) program to access federal Medicaid funds for emergency medical and ambulance transport services; and,
   (c) Authorize LAFD to make the payment for the participation in the IGT program, upon receipt of the invoice, and report on the status of the program in subsequent Financial Status Reports.
2. Authorize the Fire Department to:
   (a) Deposit CY 2025 IGT program receipts into Fund 59F Medi-Cal Intergovernmental Transfer Program Trust Fund No. 59F, and appropriate therein to Account to be determined (TBD); and,
   (b) Transfer an amount not to exceed $7.4 million from the above Fund 59F, Account TBD, based on actual invoice payment, to Fire Department Fund No. 100/38, Salaries Sworn Account No. 001012.
3. Authorize the LAFD, subject to approval of the City Administrative Officer, to prepare Controller instructions for any technical adjustments to comply with the intent of Council actions, and authorize the Controller to implement the instructions.

ORIGINAL

BB

PRESENTED BY: _____
JOHN S. LEE
Councilmember, 12th District

OCT 23 2026

SECONDED BY: _____