

**To the Mayor and Members of the City Council****June 3, 2025**

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**SUBJECT: MEDSTAR TRANSITIONAL MEDICAL SERVICES-
MEDICAID/MEDICARE BILLING****PURPOSE:**

On June 24th, the City Council will consider an M&C to authorize execution of an interlocal agreement with the Metropolitan Area EMS Authority d/b/a MedStar Mobile Healthcare ("MedStar") authorizing MedStar to continue to provide EMS System services under the management and control of Fort Worth for a temporary period. The purpose of this informal report is to explain the necessity for the interlocal agreement and provide Council the opportunity to ask questions related to the operation of the EMS System pursuant to the interlocal agreement.

BACKGROUND:

Fort Worth and certain other local jurisdictions ("Member Cities") were parties to a Restated and Amended Interlocal Cooperative Agreement effective July 23, 2020 (the "ILA") for the provision of out of hospital emergency medical services ("EMS"), non-emergency medical services, unscheduled medical transportation and ambulance service, mobile integrated healthcare ("MIH") (collectively the "EMS System"), and scheduled interfacility medical transportation ("IFT").

In accordance with the directives of the Fort Worth City Council, and the recommendations of the Emergency Services Ad Hoc Committee, Fort Worth and the Member Cities executed a Memorandum of Understanding and Agreement ("MOUA"), identified as City Secretary Contract No. 62555, to, among other things, officially: dissolve MedStar; transfer MedStar's assets and liabilities to Fort Worth; and establish a new EMS System operated by Fort Worth. Since the execution of the MOUA, Fort Worth has executed individual EMS Interlocal Agreements with each Member City and, a new addition to the EMS System, Richland Hills. The EMS Interlocal Agreements, in conjunction with a uniform EMS ordinance adopted by Fort Worth and each Member City, designates Fort Worth as the exclusive provider of EMS System services in each party's jurisdiction to be effective July 1, 2025.

The parties to the MOUA anticipated that the period between execution of the MOUA, the withdrawal from the ILA, the transition of EMS System services to Fort Worth as the EMS Provider, and the complete dissolution of MedStar may create some operational and practical complications for the EMS System, IFT, and the associated services for the Parties. Therefore, Fort Worth and the Member Cities agreed that MedStar would maintain its legal status as a governmental administrative agency and continue to operate under the direct management and oversight of Fort Worth during a transition period. During this transition period, the MOUA authorized MedStar to operate certain temporary functions under the management of Fort Worth to ensure continuity in billing, collections, and other operational areas as needed, and further authorized Fort Worth to take all necessary actions to ensure the continued operation and administration of the EMS System services to all parties, such as maintaining or renewing any required licenses, permits, or registrations for the EMS System services.

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To facilitate the transition of EMS System services from MedStar to Fort Worth, Fort Worth has acquired its EMS Provider license and is actively adopting necessary policies, hiring and training staff, acquiring property, contracting with necessary vendors, and registering with necessary agencies to become the exclusive EMS System provider for Fort Worth and the Member Cities. To date, Fort Worth is awaiting final confirmation of its Medicaid national EMS-ID, but has obtained its Medicare registration and state licensure.

To ensure there is no lapse in service, or delay in billing and collections that may unreasonably impact the EMS System as services transition to Fort Worth, and to protect the public health and safety of the people of Fort Worth and the Member Cities' jurisdictions, there is a necessity for Fort Worth to subcontract with MedStar to temporarily operate the EMS System and provide services through MedStar's state licensing and registration numbers.

This arrangement will allow MedStar, under the direct management and control of Fort Worth, to continue EMS System operations with Fort Worth personnel, property, and equipment, as of July 1, 2025. This arrangement ensures that staff may smoothly transition its policies and practices and any unexpected delay in obtaining Fort Worth's final registrations with appropriate state and federal agencies will not impact EMS System operations.

Pursuant to the terms of the proposed interlocal agreement with MedStar, MedStar will serve as the licensed EMS Provider and retain regulatory responsibility for compliance with state EMS requirements. The agreement authorizes Fort Worth to manage and staff the EMS System and authorizes Fort Worth to bill for EMS System services on MedStar's behalf. MedStar, as the licensed EMS Provider, will lease Fort Worth equipment and personnel, to provide full EMS System services including ALS, BLS, emergency and non-emergency transport, MIH, and 911 call responses. MedStar's Medicare and Medicaid enrollment records will be amended within thirty (30) days of the effective date of the Agreement to add Fort Worth as an organization with managing control of MedStar, to add Fort Worth's third party billing company as the billing agent for MedStar, and to add all vehicles Fort Worth is leasing to MedStar. This temporary arrangement will expire on September 30, 2025 and, at that time, Fort Worth anticipates completion of all regulatory requirements and operation will continue under its own license and federal registrations.

If you have any questions, please contact Reginald Zeno, Chief Financial Officer, at 817-392-8500; Tony Rousseau, Deputy Finance Director at 817-392-8338 or Taylor Paris, Sr. Assistant City Attorney at 817-392-6285.

**Jesus "Jay" Chapa
City Manager**