

Mayor and Council Communication

DATE: 04/22/25

M&C FILE NUMBER: M&C 25-0356

LOG NAME: 14EMSCLAIMSRUNOUT

SUBJECT

(ALL) Authorize Execution of Consent of Assignment Between the City of Fort Worth and United HealthCare Services, Inc. for Administration and Anticipated Costs of Emergency Medical Service Claims Run-Out in an Amount Up to \$850,000.00

RECOMMENDATION:

It is recommended that the City Council authorize the execution of consent of assignment between the City of Fort Worth and United HealthCare Services, Inc. for administration and anticipated costs of Emergency Medical Service claims run-out in an amount up to \$850,000.00.

DISCUSSION:

Beginning July 1, 2025, Emergency Medical Service (EMS) employees will transition to the City of Fort Worth's Health Plan. EMS currently is a self-insured benefit plan who contracts with United HealthCare Services, Inc. to provide third-party claims administration.

With the transition of EMS to the City effective July 1, 2025, the contract between United HealthCare Services, Inc. and EMS will end. However, in the state of Texas, medical providers have up to twelve (12) months to file claims with an insurer. This means that after July 1, 2025, there potentially may be ongoing negotiations between the insurer and providers regarding claims, such as hospitalizations or surgeries, incurred prior to July 1, 2025. The City will need to assume responsibility for the claims run-out for remaining claims incurred prior to the transition. Since United HealthCare Services is the present claim administrator, all claims will need to continue to be processed through United HealthCare. In order to pay the claims and the claim administration costs the City will need to execute an assignment of the existing agreement with United HealthCare.

The Human Resources Department requested a Chapter 252 sole-source exemption and was granted a exemption by Legal due to the nature of the contract.

FUNDING: The maximum amount allowed under this Agreement will be \$850,000.00. Funding is budgeted in the Group Health Insurance Fund and and will be reimbursed by EMS.

BUSINESS EQUITY: This solicitation was reviewed by The Business Opportunity Division for available business equity prospects according to the City's Business Equity Ordinance. There were limited business equity opportunities available for the services/goods requested, therefore, no business equity goal was established.

AGREEMENT TERMS: Upon City Council approval, the agreement will begin on July 1, 2025 and will end on June 30, 2026.

RENEWAL OPTIONS: There are no renewal options for this agreement.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

A Form 1295 is not required because: This contract will be with a publicly-traded business entity or a wholly-owned subsidiary of a publicly-traded business entity: United HealthCare

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the Group Health Insurance Fund to support approval of the recommendation and execution of consent of assignment. Prior to any expenditure being incurred, the Human Resources Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Dianna Giordano 7783

Originating Business Unit Head: Dianna Giordano

Additional Information Contact:

