



To the Mayor and Members of the City Council

June 3, 2025

Page 1 of 4

**SUBJECT: EMERGENCY MEDICAL SERVICES WAIVER POLICIES**

On June 10<sup>th</sup>, the City Council will consider adopting changes to the Financial Management Policy Statements (FMPS) regarding settlements, waivers and discounts established for Emergency Medical Services provided by the City starting on July 1, 2025. These services are currently being provided by the Metropolitan Area EMS Authority d/b/a MedStar Mobile Healthcare.

Changes to the FMPS will delegate authority to grant discounts and the ability to write off or settle certain accounts receivable balances from the City Council to the Chief Financial Officer or their designee.

Per the Texas Constitution (Art. III, Section 52), the City is not authorized to lend its credit or to grant public money or a thing of value "in aid of, or to any individual, association, or corporation whatsoever." However, the expenditure of public funds for a "public purpose" is not prohibited. The criteria to be met is: (1) the expenditure or grant of value is not gratuitous but instead brings a public benefit; (2) the predominate objective is to accomplish a legitimate public purpose, not to provide a benefit to a private party; and (3) the City retains control to ensure that the public purpose is in fact accomplished. Therefore, the City Council will be asked to find that this policy is not gratuitous, serves a legitimate public purpose and that adequate controls are in place to ensure the public purpose is accomplished.

Staff from the City Attorney's Office, City Manager's Office, Financial Management Services, Fire and MedStar reviewed MedStar's current policies and recommend the City adopt the following policies that meet the above criteria:

Policy	Description	Public Purpose
<b>Charity Care</b>	<p>Provides full financial assistance for emergency or medically necessary care to individuals with incomes at or below 400% of the Federal Poverty Level (FPL), in accordance with community health standards.</p> <p>Eligibility is determined through income verification, ensuring assistance targets those most in need. This policy mitigates financial barriers, encouraging timely</p>	<p>Ensures low-income and uninsured patients can access essential EMS without financial hardship, promoting health equity and preventing untreated medical conditions that could burden public health systems. This aligns with the City's commitment to equitable healthcare access and reduces downstream costs associated with unaddressed medical needs.</p>



**To the Mayor and Members of the City Council**

**June 3, 2025**

Page 2 of 4

**SUBJECT: EMERGENCY MEDICAL SERVICES WAIVER POLICIES**

	EMS utilization, which enhances community health outcomes.	
<b>Third Party Attorney Settlement</b>	<p>Authorizes a reduction of up to 20% off gross charges for settlements.</p> <p>This policy does not involve claims against the city but applies to third-party lawsuits (e.g., between a car accident victim and the responsible party) where EMS charges are included in settlement negotiations. For example, an attorney may negotiate a reduced EMS payment to align with the settlement amount, ensuring the city recovers funds efficiently while supporting case resolution for patients.</p>	Encourages timely settlement of EMS charges in legal disputes, reducing administrative overhead and costs for the city. By offering a modest discount, the city facilitates faster collections and minimizes the need for prolonged billing disputes or litigation.
<b>Insurance Discount - Contractual</b>	Bill at the agreed upon contractual amount. Includes Medicare, Medicaid, and commercial insurance.	Agreed upon contractual terms. Standard in healthcare billing and reflect pre-negotiated rates, ensuring fairness and consistency. Encourages prompt claim settlements and full payment from insurers, streamlining billing processes and reducing administrative costs. This ensures predictable revenue streams while maintaining compliance with contractual obligations.
<b>Insurance Discount - other</b>	Permits a discount of up to 20% off gross charges for insurance cases, contingent	Encourages faster settlement with insurers and reduces administrative costs and



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June 3, 2025

Page 3 of 4

**SUBJECT: EMERGENCY MEDICAL SERVICES WAIVER POLICIES**

	<p>on documented agreement and notes entered in the billing system.</p> <p>This policy applies to non-contracted insurers or cases requiring negotiation, ensuring flexibility while maintaining documentation for transparency and auditability.</p>	<p>delays in payment. This promotes operational efficiency and ensures timely revenue recovery.</p>
<b>DataiSight Reduction</b>	<p>Allows a discount of up to 20% off gross charges when reductions are negotiated by DataiSight</p>	<p>Supports negotiated discounts with payers to promote settlement and reduce administrative overhead, improving collection rates and operational efficiency.</p>
<b>General Discount</b>	<p>Allows a discount of up to 20% for self-pay patients, provided the full balance is paid at once. This policy encourages financial responsibility while providing relief to patients who can settle their balances promptly.</p>	<p>Facilitates collections by incentivizing full immediate payment, improving receivables and reducing collection costs. This enhances cash flow and minimizes the risk of uncollectible debt.</p>
<b>Monthly Payment Plan</b>	<p>Allows self-pay patients to split balances into 6, 12, or 18-month payments. Note: Cannot combine payment plan and discount.</p>	<p>Facilitates collections by making payments more manageable, improving cashflow and reducing bad debt. This supports access to EMS for those unable to pay upfront, aligning with public health equity goals.</p>
<b>Prompt Pay Discount</b>	<p>Allows 20% discount if paid in full (Note - the offer may only be included with the final bill before collections).</p>	<p>Improves cash flow and reduces bad debt through voluntary early payment incentives. Also minimizes the need for costly collection efforts, benefiting both the city and patients.</p>



To the Mayor and Members of the City Council

June 3, 2025

Page 4 of 4

**SUBJECT: EMERGENCY MEDICAL SERVICES WAIVER POLICIES**

<b>Homeless / Shelter</b>	Permits account write-offs for individuals verified as shelter residents who lack a billable address or whose mail has been returned, subject to internal review and approval.	Supports vulnerable populations with no ability to pay; aligned with public health and social welfare objectives.
<b>Dead on Scene / Deceased after transport</b>	Accounts may be written off when no spouse or estate is identified, with billing determined by the patient's insurance status. Note: This determination may occur several months after the date of transport.	Allows recovery where possible and protects indigent survivors when no estate is available.

EMS waiver, settlement and discount policies will be reviewed, updated and presented for City Council approval on an annual basis, in conjunction with all Financial Management Policy Statements.

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**