



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health
Department No.: 041
For Agenda Of: July 1, 2014
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Takashi Wada, MD, MPH, 681-5105
Director(s) Public Health Department
Contact Info: Anne Fearon, Deputy Director, 681-5171

SUBJECT: Intergovernmental Transfer (IGT) Agreement with California Department of Health Care Services

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

Auditor-Controller Concurrence

As to form: Yes

- a) Pursuant to Welfare and Institutions Code section 14164(a), approve and authorize the Chair to sign an Intergovernmental Agreement Regarding Transfer of Public Funds (provided by the Tobacco Master Settlement Agreement) between the County of Santa Barbara and the California Department of Health Care Services (DHCS) for Fiscal Year 2012-13, Agreement number 12-89552.
- b) Pursuant to Welfare and Institutions Code section 14164(a), approve and authorize the Chair to sign an Intergovernmental Transfer Assessment Fee Agreement between the County of Santa Barbara and the California Department of Health Care Services (DHCS) for Fiscal Year 2012-13, Agreement number 12-89570.
- c) Determine that these activities are exempt from California Environmental Quality Act (CEQA) review as they are not a project under CEQA Guideline Section 15378(b)(4), since this is a government fiscal activity that does not involve commitment to any specific project that may result in a potentially significant impact on the environment.

Summary Text:

This item is on the Agenda to approve and sign two (2) Agreements with DHCS for an IGT. The Intergovernmental Agreement Regarding Transfer of Public Funds will allow the transfer of local public funds (provided to the Santa Barbara County Public Health Department by the Tobacco Master Settlement Agreement) to DHCS, pursuant to Welfare and Institutions Code section 14164(a), to access additional federal funding which will be used to increase Medi-Cal inpatient rates through CenCal Health. The IGT Assessment Fee Agreement, pursuant to Welfare and Institutions Code section 14310.4(d) allows DHCS to assess 20% of the entire amount of the County's non-federal share of the IGT as reimbursement for the administrative costs of operating the IGT program.

Background:

Your Board approved the first IGT for FY 2009-10 on October 6, 2009 (attached for your convenience and reference). Until that time, part of the Tobacco Settlement (TS) funds had historically been allocated to Cottage Health System, Dignity Health, and Lompoc Valley Medical Center as reimbursement for a portion of their care for the indigent and uninsured. Your Board approved the second IGT for FY 2010-11 on April 4, 2012 and the third IGT for FY 2011-12 on March 19, 2013.

The IGT is used to leverage local dollars to increase the amount made available for the local hospitals to continue to care for the Medi-Cal eligible population. Through the IGT, instead of receiving reimbursement out of TS funds, the hospitals receive much higher reimbursement for their care to Medi-Cal eligible patients from CenCal. The hospitals and CenCal remain very supportive of the IGT and feel that it is a positive partnership to get more funding into the local system for medical care. This Agreement uses FY 2012-13 TS funds which are budgeted in the amount of \$510,754. A 20% fee (\$85,126) has been assessed by DHCS on the non-federal share amount of \$425,628. After review and approval by the Centers for Medicare and Medicaid Services (CMS), DHCS will seek federal matching participation in the amount of \$425,628 as additional supplemental funding for the term of the Agreement. The total amount projected to be returned to CenCal is \$851,256.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The recommended Agreement will generate additional Medi-Cal revenue in the estimated amount of \$851,256 to CenCal Health that will be used to increase area hospital inpatient Medi-Cal rates.

Special Instructions:

Return six (6) original IGT Agreements and six (6) original IGT Transfer Assessment Fee Agreements and one (1) certified Minute Order to PHD. Email phdcu@sbcphd.org when available for pickup. Note: DHCS will fully execute the agreements upon receipt of the certified Minute Order.

Attachments:

- 1) Intergovernmental Agreement Regarding Transfer of Public Funds between the California Department of Health Care Services and the County of Santa Barbara, Agreement number 12-89552.
- 2) Intergovernmental Transfer Assessment Fee Agreement between the California Department of Health Care Services and the County of Santa Barbara, Agreement number 12-89570.
- 3) Board Letter copy from October 6, 2009.

Authored by: Anne Fearon, Deputy Director