



**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  
**Department No.:** 041  
**For Agenda Of:** June 25, 2024  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Mouhanad Hammami, Director  
Director(s) Public Health Department  
Contact Info: Nick Clay, Emergency Medical Services Agency Director  
**SUBJECT:** **Second Amendment to the CenCal Health Systems Maddy Program Claims  
Adjudication Agreement**

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute the attached Second Amendment to the Agreement for Claims Adjudication for the Maddy Program with CenCal Health (Attachment A), to update the designated representative and notices section, remove automatic extensions, and increase the Agreement amount by \$1,621,000 for a revised total of \$3,296,000 without a change to the existing term ending December 31, 2026.
  
- b) Determine that the proposed action does not constitute a “Project” within the meaning of California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines, because it consists of the creation of a government funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

**Summary Text:**

This item is on the agenda to authorize the Chair to execute the Second Amendment to the Agreement with CenCal Health (CenCal) for claims adjudication for the Maddy Program. The Public Health Department (PHD) administers the Maddy Program for eligible patients in Santa Barbara County. All emergency physician groups and private physicians certified to accept Maddy Program patients are currently providing Maddy Program-eligible services. CenCal, as the local County Organized Health

System (COHS) and as the local Medi-Cal fiscal intermediary for Santa Barbara and San Luis Obispo counties, has established claims adjudication processes with the vast majority of private physician groups. CenCal Health has proven expertise in the claims adjudication process. Therefore, with your Board's approval, the County will execute an Amendment to the Agreement with CenCal to continue the claims adjudication process of the Maddy Program. PHD will retain oversight administration of this State program.

CenCal will invoice PHD quarterly for repayment of the eligible Maddy Program claims adjudicated and will receive eight (8) percent of the ten (10) percent administrative funding available for their role in claims adjudication. The remaining available two (2) percent of administrative funding will be retained by PHD to support its program administrative activities. The underlying legislation for the Maddy Program is scheduled to sunset on January 1, 2027. (Health and Safety Code sections 1797.98a *et seq.*)

**Background:**

The Maddy Program provides State funding to County governments to provide health care access for residents that cannot afford care and who meet Program eligibility and authorization for care criteria as established under Health and Safety Code sections 1797.98a and 1797.98b, and County Resolution 04-307. Locally the Maddy Program is governed by the Board of Supervisors and has been administered since 2004 through the PHD Emergency Medical Services (EMS) programs. The five (5) hospitals in Santa Barbara County and multiple physicians and physician groups participate in treating Maddy-eligible patients and are reimbursed by PHD for these patient services upon claims and invoice submissions.

CenCal Health has the staffing, experience and existing relationships with the local and physician groups to provide Maddy Program claims adjudication. This Agreement outlines the CenCal/PHD joint Maddy Program claims adjudication process. PHD has negotiated a rate of eight (8) percent of the available Maddy Program administration funding for CenCal Health for their element of the claims adjudication process.

**Contract Risk Assessment**

The risk elements of this Agreement are associated with a Legislative State funding source. If the state funding were to be withdrawn, neither the Public Health Department nor CenCal Health would have any obligation to continue this agreement. Additionally, Maddy Fund legislation has been approved through January 1, 2027.

**Performance Measure:**

CenCal will provide quarterly and ad hoc reports in order to analyze the effectiveness of the Maddy Program, which will include:

- Receive electronic claim form 837 for services from Physician providers for payments from Maddy funds.
- Hold claims to be adjudicated quarterly according to schedule in Exhibit A of Agreement.
- Adjudicate such claims quarterly as defined in Exhibit A of Agreement.
- Provide an annual summary report including quarterly claims paid subtotals and annual claims paid totals for the value of submitted claims and the actual payments for each provider within each allocation pool with details including: Name of provider, location (city), and number of claims.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Prior FY's Cost:</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>July 1, 2024 to December 31, 2026</u></b>	<b><u>Total</u></b>
General Fund				
State				
Federal				
Other: Maddy EMS Fund	\$ 912,300	\$ 87,700	\$ -	\$ 1,000,000
Other: Maddy EMS Fund	\$ -	\$ 109,700	\$ 511,300	\$ 621,000
<b>Total</b>	<b>\$ 912,300</b>	<b>\$ 197,400</b>	<b>\$ 511,300</b>	<b>\$ 1,621,000</b>

This proposed Second Amendment increases the existing contract amount by \$1,621,000 for a total Agreement limit of \$3,296,000 through the term ending December 31, 2026. This action will continue to provide for the contractual authority for CenCal to act as the third-party administrator for the PHD for the adjudication and payment of claims for eligible services provided by physicians to patients under the tenets of the Maddy Program, funded by fees and fines deposited to the Maddy EMS fund.

The Board previously approved the First Amendment in January 2017. The intent of the Amendment was to increase the Agreement limit by \$1,000,000 and to extend the term. Due to non-specific language in the First Amendment, this Second Amendment clarifies the increase of \$1,000,000 in addition to an increase of \$621,000. The revised Agreement limit of \$3,296,000 will allow for reimbursement and administrative charges of \$109,700 remaining for FY 2023-24 and an estimate of \$511,300 for FY's 2024-26 ending December 31, 2026. The funding and appropriations are included in the Public Health Department's FY 2023-24 Adjusted budget and FY 2024-25 Recommended budget.

**Staffing Impacts:**

There are no staffing impacts from this action.

**Special Instructions:**

Please execute two (2) original Second Amendments to the Agreement with CenCal Health and retain one (1) original Amendment and one (1) Minute Order for pick-up by the department. Please email [phdcu@sbcphd.org](mailto:phdcu@sbcphd.org) when available for pickup.

**Attachments:**

- A. Second Amendment to the CenCal Health Maddy Claims Adjudication Agreement
- B. First Amendment to the CenCal Health Maddy Claims Adjudication Agreement
- C. CenCal Health Maddy Claims Adjudication Agreement

**Authored by:**

Nick Clay, EMS Agency Director, Public Health Department, 681-5394