

HEALTH PLAN - PROVIDER AGREEMENT

Between

Santa Barbara San Luis Obispo Regional Health Authority, dba CenCal Health,

and

The County of Santa Barbara through its Public Health Department

for the 2021 VOLUNTARY RATE RANGE PROGRAM

(January 1, 2021 through December 31, 2021)

This Health Plan – Provider Agreement (“Agreement”) is made this 15<sup>th</sup> day of October, 2021 by and between Santa Barbara San Luis Obispo Regional Health Authority, dba CenCal Health, a public agency hereinafter referred to as "PLAN", and the Public Health Department for the County of Santa Barbara, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PROVIDER has requested of PLAN to enter into this Agreement to participate in the 2021 Voluntary Rate Range Program (“VRRP”); and,

WHEREAS, PLAN is a Health Insuring Organization and a County Organized Health System, pursuant to California Health and Safety Code Sections 101675-101781 and Welfare & Institutions Code Sections 14499.5-14499.6.

WHEREAS, PLAN and PROVIDER desire to enter into this Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers (“IGTs”) from the County of Santa Barbara (GOVERNMENTAL FUNDING ENTITY) to the California Department of Health Care Services (“State DHCS”) to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

This Agreement for PROVIDER and PLAN to participate together in the 2021 Calendar Year (CY) (12-month) VRRP is a separate agreement from the parties’ Agreement For Professional Services in its entirety.

**RETROSPECTIVE MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES FROM PROGRAM PARTICIPAION**

**1. IGT Capitation Rate Range Increases to PLAN**

**A. Payment**

- (1) Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of California Welfare and Institutions Code, Sections 14164 and 14301.4 and the Intergovernmental Agreement Regarding Transfer of Public Funds #21-10203 (“Intergovernmental Agreement”), effective for the periods of January 1, 2021 through December 31, 2021, for IGT Medi-Cal Managed Care Rate Range Increases (“IGT MMCRRIs”), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range (“LMMCRR”) IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.
- (2) Payments made to PLAN for the VRPP shall be allocated as follows:
  - (a) Santa Barbara County
    - i. 91% of all capitation rate increases to Lompoc Valley Medical Center
    - ii. 9% of all capitation rate increases to Santa Barbara County Public Health Department

**B. Health Plan Retention**

- (1) The PLAN shall retain 5% (five percent) of the net amount of the IGT MMCRRIs presented to PLAN by DHCS, after DHCS has charged DHCS’ administrative fee, from this agreement.
- (2) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

**C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments for Program Participation**

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

- (1) Maintain a Professional Services Agreement with PLAN to serve as a clinical provider for PLAN's members.
- (2) Maintain a board certified physician to provide pediatric services in PROVIDER's Santa Maria Clinic. If the pediatrician were to leave, a replacement shall not be recruited from within CenCal Health's service area.

**D. Schedule and Notice of Transfer of Non-Federal Funds**

PROVIDER has or will enter into an "Intergovernmental Agreement" with DHCS pursuant to which PROVIDER will transfer funds ("the PROVIDER's Funds") to DHCS for the periods of January 1, 2021 through December 31, 2021, pursuant to section 14164 of the Welfare and Institutions Code.

PROVIDER shall notify the PLAN within (5) business days after the funds referred to in the Intergovernmental Agreement have been transferred to DHCS.

**E. Form and Timing of Payments**

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

- (1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).
- (2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

**F. Consideration**

- (1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:
  - (a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.
  - (b) To the extent that total payments received by PROVIDER for any State fiscal year under this Agreement exceed the cost of Medi-Cal

services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

- (2) For purposes of subsection (1) (b) above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.
- (3) Both parties agree that none of these funds, either from the GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to the GOVERNMENTAL FUNDING ENTITY'S general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement constitute patient care revenues.

**G. PLAN's Oversight Responsibilities**

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

**H. Cooperation Among Parties**

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Santa Barbara County.

**I. Reconciliation**

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Article 6 of the Agreement For Hospital and Professional Services. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Section J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

**J. Indemnification**

Each party shall indemnify, defend and hold harmless the other party and its directors, officers, employees and agents from and against all losses, damages, costs, judgments, liabilities and expenses (including reasonable attorneys' fees and expenses) (collectively, "Costs") arising from third party claims, including but not limited to claims of any governmental entity, resulting from (i) the indemnifying party's failure to perform or observe any of its covenants or obligations under this Agreement, (ii) any of the representations or warranties of the indemnifying party proving to be untrue or incorrect in any material respect, (iii) the indemnifying party's violation of any law, statute, ordinance, order, rule or regulation, or (iv) any negligence or willful misconduct on the part of the indemnifying party in connection with the use of any funds referenced in this Agreement.

**2. Term**

The term of this Amendment shall commence on January 1, 2021 and shall terminate on December 31, 2024.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Agreement and the Agreement for Professional Services, then the terms of this Agreement shall govern.

3. Agreement Representatives

For PLAN (CenCal Health):

Director of Administrative & Government Services  
Michael D. Harris  
4050 Calle Real  
Santa Barbara, California 93110  
Mharris@CenCalHealth.org  
805-685-9525 x 1012

With a Courtesy Copy to:

Chief Financial Officer  
David Ambrose  
4050 Calle Real  
Santa Barbara, California 93110  
DAmbrose@CenCalHealth.org  
805-685-9525 x 1065

For PROVIDER (County of Santa Barbara, Public Health Department):

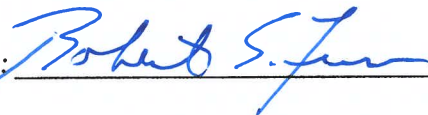
Director, Santa Barbara County Public Health  
Van Do-Reynoso, PhD.  
300 North San Antonio Road  
Santa Barbara, California, 93110  
Van.Do-Reynoso@sbcpd.org  
805-681-5217

With a Courtesy Copy to:

Chief Financial Officer  
Suzanne Jacobson, CPA  
300 North San Antonio Road  
Santa Barbara, California 93110  
Suzanne.Jacobson@sbcpd.org  
805-681-5183

SIGNATURES

HEALTH PLAN: \_\_\_\_\_



Date: \_\_\_\_\_

10/15/21

By: Robert S. Freeman, Chief Executive Officer

PROVIDER: \_\_\_\_\_



Date: \_\_\_\_\_

10/13/2021

By: Van Do-Reynoso, PhD, Director, Santa Barbara County Public Health Department