



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:** May 17, 2016  
**Placement:** Administrative  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Supervisors  
**FROM:** Department Takashi M. Wada, Director and Health Officer, Public Health  
Director: Department  
Contact Info: Dana Gamble, Assistant Deputy Director. Ext. 5171  
**SUBJECT:** CenCal Health Medi-Cal Physician Services Provider Agreement Fifth Amendment

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

Approved: Yes

**Recommended Actions:**

That the Board of Supervisors consider the following:

- a) Approve, ratify and authorize the Chair to execute a Fifth Amendment to the Physician Services Provider Agreement, Federally Qualified Health Center with CenCal Health (Attachment A) to accept an estimated \$539,873.30 in incentive funding as a result of the Affordable Care Act, for the Public Health Department healthcare services rendered to expanded Medi-Cal members who are the responsibility of CenCal Health.
- b) Approve budget revision request BJE 0004432 (Attachment G) to accept incentive funding from CenCal Health for appropriation for use and designation to the Public Health Department Healthcare fund.
- c) Determine that this action is exempt from California Environmental Quality Act review per CEQA Guideline section 15378(b)(4), since the recommended action is a government fiscal activity which does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Summary Text:**

This item is on the Agenda for execution of a Fifth Amendment to the Provider Agreement between CenCal Health and the County. CenCal Health Systems is authorized as the local Medi-Cal fiscal intermediary for Santa Barbara and San Luis Obispo counties. This Fifth Amendment extends incentive funding to the Public Health Department (PHD) for healthcare services provided to CenCal Health

expanded members. CenCal is providing this incentive funding as a result of increased healthcare coverage, to those previously ineligible, offered under the Affordable Care Act during the period of July 1, 2015 through December 31, 2015.

**Background:**

The Affordable Care Act has expanded healthcare coverage for millions of California residents and tens of thousands of residents in Santa Barbara County. Since July of 2013, PHD's Medi-Cal population has increased by more than 75%. The vast majority of these increases are CenCal Health members referred to as "expansion members". Expansion members are those that are between the ages of 19 to 65 years old, earn less than 138% of the Federal Poverty Level, and meet the other Medi-Cal eligibility requirements. To meet this increased demand for healthcare services, PHD has been recruiting new providers, remodeling its health care centers to add additional exam rooms, creating health education meeting rooms for patients and community members, and taking on new healthcare initiatives such as focused clinics for diabetics and new models of care such as the Patient Centered Medical Home (PCMH).

CenCal Health has developed a Medi-Cal Access and Coordination Expansion ("ACE") Program to engage key healthcare providers in addressing the identified and anticipated healthcare needs of the Expansion Members. The ACE Program recognizes the benefits of services such as enhanced care coordination, home health visits and follow-up calls, medication management, hospital readmission avoidance, health education and collaboration with community social service resources. The elements of the ACE Program were not fully developed until July 2015. At that point CenCal Health alerted its contract provider network of the available incentive funding and began the process of working on agreement amendments such as this to allocate the available funding. CenCal Health chose to prioritize these allocations with its larger service providers, local hospitals, before addressing outpatient service providers. Analysis of the program is ongoing.

For this reporting period, it has been determined to adequately compensate health care providers, the ACE Program for CenCal Health includes incentives in the form of a per expansion member per month (pmpm) rate of \$12.75 to incentivize health care providers for providing health care to expansion members. By authorizing this Fifth Amendment, and meeting the required reporting for service and quality of care documentation, the PHD will receive approximately \$539,874.

Although this funding is to incentivize PHD for enhanced services it will be used to reimburse PHD for any monies already expended for healthcare service access and quality improvements already implemented for these expansion members. Additionally, monies will be set aside in the PHD healthcare fund for current and future projects to modernize health care centers, to improve electronic health records, to expand PCMH throughout all PHD health care centers, and to provide better quality improvement data management and tracking.

**Fiscal Impacts:**

The total amount of these incentive funds are estimated at approximately \$540,000 (\$539,874 for 42,343 expansion member months at \$12.75 pmpm). These funds will be used to both reimburse the PHD for certain qualifying services already performed and for facility and program improvements that promote Access, Coordination, and Expansion of services capacity (ACE) to CenCal ACA expansion members.

Budget Revision Request 0004432, attached, will amend the FY 15-16 budget to for these funds which will be used for projects already underway that allow for greater patient safety and service quality: 1) An assessment of our patient Practice Management system (\$39,311); 2) A new software system (i2i Tracks) to better manage patient disease states (\$82,300); 3) Drawings and Plans for a remodel of the

Carpinteria Health Center to increase space and safety (\$25,000); and, 4) An overhead paging system for the Santa Barbara Health Care Center (and Calle Real Campus) for enhanced patient and staff safety (\$65,889). The remainder of the funding (\$327,374) will be designated as part of the PHD Special Revenue Fund restricted fund balance and will be used for planned health center capital improvement projects and service expansions.

**Special Instructions:**

Please execute two (2) original Agreements with CenCal Health and retain one (1) original Agreement and one (1) Minute Order for pick up by the department. Please email the PHD Contracts Unit at [phdcu@sbcphd.org](mailto:phdcu@sbcphd.org) when available for pick up.

**Attachments:**

- A. CenCal Health Medi-Cal Providers Agreement Fifth Amendment
- B. CenCal Health Medi-Cal Providers Agreement Fourth Amendment
- C. CenCal Health Medi-Cal Providers Agreement Third Amendment
- D. CenCal Health Medi-Cal Providers Agreement Second Amendment
- E. CenCal Health Medi-Cal Providers Agreement First Amendment
- F. CenCal Health Medi-Cal Providers Agreement
- G. Budget Revision Request Number 0004432

**Authored by:**

Dana Gamble, Assistant Deputy Director, Public Health Department