



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: November 3, 2015
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Takashi M. Wada, Director and Health Officer, Public Health
Director: Department
Contact Info: Dan Reid, Assistant Deputy Director. Ext. 5173
SUBJECT: CenCal Health Medi-Cal Physician Services Provider Agreement Fourth Amendment

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

Approved: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider the following:

- a) Approve, ratify and authorize the Chair to execute a Fourth Amendment to the Physician Services Provider Agreement, Federally Qualified Health Center with CenCal Health to accept an estimated \$2,999,894 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 0004260 (Attachment F) to accept incentive funding from CenCal Health for 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 Fourth 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 Fourth Amendment provides incentive funding to the Public Health Department 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 January 1, 2015 through June 30, 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, the Public Health Department'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, the Public Health Department (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 and analyzed 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.

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 \$82.87 to incentivize health care providers for providing health care to expansion members. By authorizing this Fourth Amendment, and meeting the required reporting for service and quality of care documentation, the PHD will receive approximately \$3,000,000.

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 \$3,000,000 (\$2,999,894 for 36,200 expansion member months at \$82.87 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 0004260, attached, will designate these funds in the PHD Healthcare fund to be released and used as necessary for new initiatives, capital improvements, and service expansion and activities.

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 when available for pick up.

Attachments:

- A. CenCal Health Medi-Cal Providers Agreement Fourth Amendment
- B. CenCal Health Medi-Cal Providers Agreement Third Amendment
- C. CenCal Health Medi-Cal Providers Agreement Second Amendment
- D. CenCal Health Medi-Cal Providers Agreement First Amendment
- E. CenCal Health Medi-Cal Providers Agreement
- F. Budget Revision Request Number 0004260

Authored by:

Dan Reid, Assistant Deputy Director, Public Health Department