



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:** 3-19-13  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**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 Agreement with California Department of Health Care Services

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

Consider recommendations regarding Agreements with the California Department of Health Care Services (DHCS) for an Intergovernmental Transfer (IGT) of Public Funds, as follows:

- 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 2011-12, Agreement number 11-88430.
- b) 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 2011-12, Agreement number 11-88445.
- c) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15061(b) (3), since it can be seen with certainty that there is no possibility that the activities may have a significant effect on the environment.

**Summary Text:**

This item is on the Agenda to approve and sign two (2) Agreements with DHCS for an IGT. These Agreements 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 to access additional federal funding which will be used to increase Medi-Cal inpatient rates through CenCal Health. An IGT Assessment Fee went into effect in FY 2012-13 which 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.

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 2011-12 TS funds which are budgeted in the amount of \$781,766. A 20% fee (\$130,295) that went into effect in FY 2011-12 has been assessed by DHCS on the non-federal share amount of \$651,471. After review and approval by the Centers for Medicare and Medicaid Services (CMS), DHCS will seek federal matching participation in the amount of \$651,471 as additional supplemental funding for the term of the Agreement. The total amount projected to be returned to CenCal is \$1,302,942.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

The recommended Agreement will generate additional Medi-Cal revenue in the estimated amount of \$1,302,942 to CenCal Health that will be used to increase area hospital inpatient Medi-Cal rates.

**Special Instructions:**

Retain six (6) original IGT Agreements and six (6) original IGT Transfer Assessment Fee Agreements and one (1) certified Minute Order. Email [phdca@sbcphd.org](mailto:phdca@sbcphd.org) when available for pickup.

**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 11-88430.
- 2) Intergovernmental Transfer Assessment Fee Agreement between the California Department of Health Care Services and the County of Santa Barbara, Agreement number 11-88445.
- 3) Board Letter copy from October 6, 2009.

**Authored by:**

Anne Fearon, Deputy Director, 681-5171