



**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: 4-10-12
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

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**

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 Local Public Funds, as follows:

- a) Approve and authorize the Chair to execute the 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 2010-11, Agreement number 10-87285.
- b) Approve and authorize the Chair to execute the Intergovernmental Transfer Assessment Fee between the County of Santa Barbara and the California Department of Health Care Services (DHCS) for Fiscal Year 2010-11, Agreement number 10-87311.
- 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:

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 2011-12 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, Catholic Healthcare West, and Lompoc Valley Medical Center as reimbursement for a portion of their care for the indigent and uninsured.

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 will 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 2010-11 TS funds which are budgeted in the amount of \$831,737. A 20% fee (\$138,623) that went into effect in FY 2011-12 has been assessed by DHCS on the non-federal share amount of \$693,114. After review and approval by the Centers for Medicare and Medicaid Services (CMS), DHCS will seek federal matching participation in the amount of \$693,114 as additional supplemental funding for the term of the Agreement. The total amount projected to be returned to CenCal is \$1,386,228.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The recommended Agreement will generate additional Medi-Cal revenue in the amount of \$1,386,228 to CenCal Health that will be used to increase area hospital inpatient Medi-Cal rates.

Special Instructions:

Please return six (6) original IGT Agreements and six (6) original IGT Transfer Assessment Fee Agreements and one (1) certified Minute Order to Rose Davis. Please email phdcu@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 10-87285.
- 2) Intergovernmental Transfer Assessment Fee Agreement between the California Department of Health Care Services and the County of Santa Barbara, Agreement number 10-87311.
- 3) Board Letter copy from October 6, 2009.

Authored by:

Anne Fearon, Deputy Director, 681-5171