



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: July 18, 2023
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Mouhanad Hammami, Director
Director(s) Public Health Department
Contact Info: Amber Bermond, Fiscal Manager
SUBJECT: Amendment to Voluntary Rate Range Program/Intergovernmental Transfer 2021 Agreement with the State Department of Health Care Services

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

- a) Approve, ratify, and authorize the Chair to execute the amended Intergovernmental Transfer Agreement (Contract #21-10203-A) regarding transfer of Public Funds from Public Health to the Department of Health Care Services with a term of January 1, 2021 through June 30, 2024 (Attachment A). This Agreement replaces in its entirety the one previously approved by the Board on October 18, 2022 (Contract #21-10203, Attachment B); and
- b) Approve and authorize the PHD Director to make immaterial amendments to Contract #21-10203-A such as correcting clerical errors or updating contact information in the Notices Section 5.
- c) Determine that these activities are exempt from California Environmental Quality Act (CEQA) review as they are not a project under CEQA Guideline Section 15378(b)(4), since this is a government fiscal activity that does not involve commitment to any specific project that may result in a potentially significant impact on the environment.

Summary Text:

On November 16, 2021, the Public Health Department (PHD) received approval from your Board to enter into an agreement with the California Department of Health Care Services (DHCS) to participate in an Intergovernmental Transfer (IGT) to receive reimbursement for uncompensated health care provided to Medi-Cal patients. DHCS made some immaterial changes to the agreement that required additional Board of Supervisors approval, received on October 18, 2022. The current amendment before your Board is

necessary because DHCS made changes to the non-federal share of contribution for the agreement, found on the last page of Attachment A.

Background:

PHD had been invited by the County’s Medi-Cal Managed Care Plan, CenCal, to participate in an IGT to obtain federal reimbursement for uncompensated care provided to their patients for Calendar Year 2021. PHD had previously identified an estimated \$736,513 in uncompensated Public Health clinical and nursing services for CenCal Health patients that are eligible for an IGT. Due to revised per-member-per-month rates identified by DHCS, the revised non-federal share contribution is now \$780,482.

Since 2006, DHCS has offered public health care providers the opportunity to participate in the Voluntary Rate Range Program (Welfare and Institutions Code §§ 14301.4, 14164). The program provides an opportunity for local governmental entities that provide Medi-Cal covered services to secure federal funding to help cover their costs of serving Medi-Cal beneficiaries enrolled in Medi-Cal managed care plans (MCPs).

By participating in the Voluntary Rate Range Program, county health departments and district hospitals, referred to as “governmental entities” by DHCS, can secure federal funds to operate safety net services. As a result, California is able to increase Medi-Cal managed care payments to public providers of Medi-Cal health care services that help sustain the public safety net system, a key component of the Medi-Cal provider network. Currently, at least 104 governmental entities across the state participate in the Voluntary Rate Range Program.

Under the program, governmental entities may elect to transfer funds through IGTs to the state. These funds are used as a match for federal funds (which have been enhanced due to the Affordable Care Act and the Federal CARES Act), which are eventually returned to the governmental entity through their respective Medi-Cal managed care plan(s). Ultimately, each participating government entity receives back the funding it provided, plus most of the federal match in return. The funds are used for additional reimbursement for the health care services rendered to Plan enrollees.

The IGTs are implemented via two contracts: 1) the “DHCS Intergovernmental Agreement” between the state and the local governmental entity transferring funds, and 2) the “Plan Provider Agreement” between the Medi-Cal managed care plan and the governmental entity that will receive the funds. Language in the DHCS Intergovernmental Agreement was negotiated between CMS and the State and although the original agreement was approved by your Board on November 16, 2021, and revisions were approved on October 18, 2022, the current amendment changes only the local share required, which will be adjusted on the Calendar Year 2022 IGT. The “Plan Provider Agreement” between Santa Barbara County and CenCal Health was also approved on November 16, 2021 and does not require amendment or re-approval.

Performance Measure:

There are no performance measures for the Intergovernmental Agreement Regarding Transfer of Public Funds between the DHCS and the County of Santa Barbara.

Contract Renewals and Performance Outcomes:

N/A

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The DHCS-calculated local contribution of non-federal share has increased from the previously approved agreement of \$736,5133 to \$780,482 in this amendment. The State will account for the adjusted calculation amounts as part of the Calendar Year (CY) 2022 IGT Contribution, and it is anticipated that this increase of \$43,969 is included in the PHDs FY 23/24 budget. However, if any adjustments need to be made, PHD will amend the budget at the time the CY 2022 contract is brought to the Board.

Key Contract Risks:

In the event that State Director of Health Services determines IGTs made under the Voluntary Rate Range Program do not comply with the federal Medicaid requirements, then the State retains the discretion to return the IGTs or not accept the IGTs. (Welf. & Inst. Code §§ 14259, 14301.4.)

Staffing Impacts:

Legal Positions:

N/A

FTEs:

N/A

Special Instructions:

Please sign seven (7) original IGT Agreement signature pages 7 and retain (7) original IGT Agreement signature pages 7 and one (1) certified Minute Order for pick up by the department. One (1) original fully executed Agreement will be returned to the Clerk of the Board upon execution by DHCS. Please email MFitzwilliamFigueroa@sbcphd.org when available for pickup.

Attachments:

- A. Intergovernmental Agreement Regarding Transfer of Public Funds between the California Department of Health Care Services and the County of Santa Barbara, Contract #21-10203-A.
- B. Intergovernmental Agreement Regarding Transfer of Public Funds between the California Department of Health Care Services and the County of Santa Barbara, Contract #21-10203.

Authored by:

Amber Bermond, Fiscal Manager