

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES ("DHCS") and the COUNTY OF SANTA BARBARA, CALIFORNIA, (the "County") with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Division 9, Part 3, Chapter 7, Article 5 of the Welfare & Institutions Code, section 14164.

B. The Santa Barbara San Luis Obispo Regional Health Authority dba: CenCal Health ("CenCal Health") is a County Organized Health System (COHS) formed pursuant to Health & Safety Code section 101675 et. al., and Welfare and Institutions Code section 14499.5. CenCal Health is a party to a Medi-Cal managed care contract with DHCS, entered pursuant to Welfare and Institutions Code section 14499.5, under which CenCal Health arranges and pays for the provision of covered health care services to eligible members residing in the County.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The County shall transfer funds to DHCS pursuant to section 14164 of the Welfare and Institutions Code, up to a maximum total amount of Nine Hundred and Eight Thousand, Two Hundred Fourteen dollars (\$908,214), to be used as the nonfederal share of Medi-Cal managed care capitation rate increases for CenCal Health for the period July 1, 2009, through June 30, 2010, as described in section 2.2 below. The funds shall be transferred in accordance with a mutually agreed upon schedule between the County and DHCS, in the amounts specified therein.

1.2 The County shall certify that the funds transferred qualify for federal financial participation pursuant to 42 C.F.R. part 433 subpart B.

2. Acceptance and Use of Transferred Funds by DHCS

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the County pursuant to this Agreement as intergovernmental transfers, to use for the purpose set forth in section 2.2 below.

2.2 The funds transferred by the County pursuant to this Agreement shall be used to fund the nonfederal share of increases in Medi-Cal managed care capitation rates and shall be paid (together with the related federal financial participation) by DHCS to CenCal Health as part of CenCal Health capitation rates for the period July 1, 2009 through June 30, 2010. The rate increases paid under this section 2.2 shall be in addition to (and shall not replace or supplant) all other amounts paid or payable by DHCS or other State agencies to CenCal Health including but not limited to: (a) any periodic, special or annual rate increases payable to CenCal Health by DHCS for Medi-Cal managed care services; (b) any rate increases that may result from the implementation of changes to CenCal Health Medi-Cal service obligations; and/or (c) any and all other rate increases or amounts payable by DHCS or any other State agency to CenCal Health for any reason relating to health care or other services provided for or arranged by CenCal Health at any time.

2.3 DHCS shall seek federal financial participation for the rate increases specified in section 2.2 to the full extent permitted by federal law.

2.4 DHCS acknowledges that the County, CenCal Health, and the three Santa Barbara County Hospitals: Cottage Health System; Lompoc Valley Medical Center; and Catholic Healthcare West, have entered into a Hospital Services Funding Agreement that is supplemental to this Agreement, for the purpose of specifying the use of funds to be transferred by DHCS to CenCal Health pursuant to this Agreement.

3. Amendments

3.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

3.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in section 2 of this Agreement.

4. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States first class, certified or registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the County:

Santa Barbara County Public Health Department.
300 N. San Antonio Road
Santa Barbara, CA 93110
ATTN: Suzanne Jacobson, Chief Financial Officer

With copies to:

Bob Freeman, Deputy Chief Executive Officer
CenCal Health
110 Castilian Dr.
Goleta, CA 93117

To DHCS:

Carrie A. Allison
California Department of Health Care Services
Medi-Cal Managed Care Division
1501 Capitol Ave., Suite 71-4002
MS 4415
P.O. Box 997413
Sacramento, CA 95899-7413

5. Other Provisions

5.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal rate increases for CenCal Health described in section 2.2 and supercedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the County and DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements already exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

5.2 The nonenforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

5.3 Section 2 of this Agreement shall survive the expiration or termination of this Agreement.

5.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

5.5 Time is of the essence in this Agreement.

5.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

6. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under federal and state law and regulations.

7. Approval. This Agreement is of no force and effect until signed by the parties.

8. Term. This Agreement shall be effective as of July 1, 2009 and shall expire as of June 30, 2011 unless terminated earlier by mutual agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date of the last signature below.

COUNTY OF SANTA BARBARA

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

Chair, Board of Supervisors

By: _____
Deputy

Date: _____

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Deputy County Counsel

By: _____
Deputy

APPROVED
TAKASHI WADA, MD, MPH
DIRECTOR/HEALTH OFFICER
PUBLIC HEALTH DEPARTMENT

APPROVED AS TO FORM:
RAY AROMATORIO
RISK PROGRAM ADMINISTRATOR

By: _____
Director

By: _____
Risk Program Administrator

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____

Date: _____

Tanya Homman, Chief, Medi-Cal Managed Care Division