

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

**RESOLUTION OF THE BOARD OF  
SUPERVISORS OF THE COUNTY OF  
SANTA BARBARA IN OPPOSITION TO  
THE STATE'S PROPOSED  
ALTERNATIVE HEALTH CARE  
SERVICE PLAN PROPOSAL / THE  
KAISER NO-BID CONTRACT**

**RESOLUTION NO. 22-63**

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**WHEREAS**, California's Medi-Cal health services are provided throughout the state by a mix of local County Organized Health Systems (COHS) and commercial health plans. In Santa Barbara and San Luis Obispo Counties, CenCal Health (CenCal) serves as the as the only Medi-Cal COHS health insurance provider designated through federal and State statutes in our two counties; and

**WHEREAS**, CenCal began as a small pilot program in 1982 and has grown into a community health plan with a service area of two counties that provides health care to 1 in 4 people in Santa Barbara County, and 1 in 5 in San Luis Obispo County; and

**WHEREAS**, a COHS plan is a publicly governed, Medi-Cal managed care plan authorized under federal and state law and created under local ordinance. As such, the COHS model, which has been operational in California for almost forty years, is a unique and time-tested model of publicly accountable managed care. Pursuant to federal, state, and local authority, the COHS plan organizes the local health care delivery system, complies with all requirements set forth in the Department of Health Care Services (DHCS) contract, and is governed by a public commission operating pursuant to the requirements of California's Brown Act; and

**WHEREAS**, on a periodic basis, commercial health plans submit proposals and bids to the State of California DHCS to provide managed health care for Medi-Cal recipients alongside the local health plans through a formal request for proposal (RFP) process; and

**WHEREAS**, in February 2022, just as the state was opening the new RFP process for commercial health plans to prepare bids, Governor Gavin Newsom announced that Kaiser Permanente (Kaiser) would be allowed to operate as a Medi-Cal Health Plan delivering Medi-Cal managed care services starting on January 1, 2024 in counties in which they have operations established in as of January 1, 2022, without having to participate in the RFP bidding process; and

**WHEREAS**, the California Legislature is in the process of adopting trailer bill language to codify this process into law through the DHCS in the Governor's 2022-2023 Budget Proposal; and

**WHEREAS**, the Counties of Ventura, San Mateo, Santa Barbara, Monterey, Santa Cruz, and Sonoma formally expressed opposition to the Alternative Health Care Service Plan (AHCSPP) proposal (i.e., the Kaiser no-bid contract) in March 2022. The counties requested the state's reconsideration of the proposal,

based on considerations of the impacts it could cause to the safety net health systems and the Medi-Cal beneficiaries served; and

**WHEREAS**, there is concern that the no-bid process and accompanying trailer bill language the legislature is currently considering may not prevent Kaiser from choosing not to enroll certain clients. Current managed health care providers by law are not allowed to exclude any income eligible populations in the managed care marketplace, but the no-bid contract trailer bill does not have any such requirements, allowing for the exclusion of enrolling patients with higher acuity levels and with more complex physical, behavioral, and socio-economic needs and leaving them to be absorbed by the existing safety net system and COHS plans; and

**WHEREAS**, it is anticipated that local COHS systems could lose millions of dollars in supplemental funding if this AHCSF proposal was to be implemented.

**NOW, THEREFORE, IT IS RESOLVED**, that the County of Santa Barbara opposes the Governor’s no-bid contract allowing Kaiser to enter into the Medi-Cal managed care marketplace without going through the RFP process, and hereby adopts this resolution.

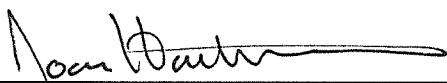
**PASSED, APPROVED AND ADOPTED** by the Board of Supervisors of the County of Santa Barbara at a regular meeting held on this 5<sup>th</sup> day of April, 2022 by the following vote:

**AYES:** Supervisors Williams, Hart, Hartmann, Nelson, and Lavagnino

**NOES:** None

**ABSTAIN:** None

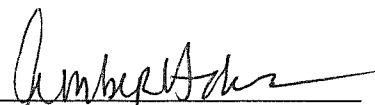
**ABSENT:** None

  
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JOAN HARTMANN, CHAIR  
BOARD OF SUPERVISORS

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

APPROVED AS TO FORM:  
RACHEL VAN MULLEM  
COUNTY COUNSEL

By   
\_\_\_\_\_  
Deputy

By   
\_\_\_\_\_  
Deputy