

the transfer amount. DHCS submits the IGT to the Centers for Medicare and Medicaid Services (CMS); once approved, the federal matching funds are paid to the State. DHCS then increases the amount of its Medi-Cal contract with the Partnership HealthPlan of California (PHC), Solano's Medi-Cal Managed Care Organization, in the amount of the transferred funds plus the federal matching, less the administrative fee charged by the State. Finally, PHC pays the resulting net transferred funds to the County.

DHCS is implementing prospective rate setting for FY2017/18 in response to changes in federal rules. As a result, for this year's IGT cycle, H&SS has identified estimated qualifying expenses in FY2017/18 of \$3,500,626. Under the proposed agreement the County will transfer up to approximately \$3,500,626 in local funds plus a 20% State administrative fee of \$700,125. If the IGT transfer does not occur in FY2017/18, the Department will request approval of the ATR in FY2018/19.

FINANCIAL IMPACT:

With the Board's and CMS' approvals, H&SS will transfer approximately up to \$3,500,626 for the rate year FY2017/18 to DHCS. Additionally, H&SS will make a payment in the amount of up to \$700,125 to DHCS as California Welfare and Institutions Code §14301.4 authorizes the State to assess a 20% non-refundable assessment fee on the non-federal share of an IGT to cover the administrative costs of operating the IGT program and to support the Medi-Cal program.

The source of funding for this transfer will be a combination of 1991 Public Health Realignment and County General Fund (CGF) currently allocated to H&SS. There is no additional impact to the CGF. H&SS will use 1991 Public Health Realignment funds to cover the 20% non-refundable assessment fee.

DISCUSSION:

California counties participating in Medi-Cal Managed Care, including Partnership HealthPlan of California, may enter into prospective payment IGT agreements with the California Department of Health Care Services (DHCS). The IGT consists of the transfer of eligible local dollars to the State DHCS. DHCS uses the funds to draw down additional federal funding from the Centers for Medicare and Medicaid Services (CMS). Since the funds must be used in support of the Medi-Cal Managed Care Program, DHCS transfers both the original and matched funds to Partnership HealthPlan of California which, in turn, makes the funds available to its contracted Medi-Cal provider, Solano County.

As a Medi-Cal Managed Care Plan county, Solano County will transfer up to approximately \$3,500,626 in local funds covering the rate year FY2017/18 to pull down an estimated \$7,001,252 in IGT funds. An amended Health Plan Agreement between PHC and the County provides for an increase in the Medi-Cal Managed Care payment to transfer the IGT funds for services specified in the IGT spending plan. H&SS will use these funds to promote the well-being of PHC Medi-Cal beneficiaries by maintaining and/or improving current services; by increasing access to services; and by expanding existing services or health programs. With these funds, H&SS will support initiatives to help mitigate identified, unmet needs, including communicable disease prevention and control, home visiting and care management programs.

H&SS has worked closely with Partnership HealthPlan of California and other community partners to strategically utilize IGT funds to maintain critical services and improve the overall quality of care in the County's health system.

The IGT funds approved by the Board on March 14, 2017 have been used by H&SS in FY2017/18 to: maintain Sexually-Transmitted Diseases (STD) and Tuberculosis (TB) control and case management services; support public health nursing home visiting and care management services for high-risk families; support continued implementation of the Baby First/Healthy Families America program; support provision of mental health services to severely and persistently mentally ill residents at the County's Integrated Care Clinics; and, support expansion of dental health services to County residents

H&SS requests that the Board delegate authority to the County Administrator to sign the final agreements and related documents once we receive the final agreement from the State since the deadline to sign these documents is expedited.

ALTERNATIVES:

The Board may choose not to approve H&SS pursuing IGT funds with the California Department of Health Care Services and delegation of authority to the County Administrator to sign the IGT agreements. This is not recommended because the additional IGT funds will increase healthcare services, as well as sustain current healthcare services for Solano County residents.

OTHER AGENCY INVOLVEMENT:

H&SS worked with Partnership HealthPlan of California, the State DHCS, and County Counsel to secure the IGT funds.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION