



Agenda Submittal

Agenda #: 8 **Status:** Approved
Type: Contract **Department:** Health and Social Services
File #: 20-305 **Contact:** Gerald Huber, 784-8400
Agenda date: 5/5/2020 **Final action:** 5/5/2020
Title: Authorize the Department of Health and Social Services to pursue an Intergovernmental Transfer (IGT) with the California Department of Health Care Services of up to approximately \$7,145,977 in FY2019/20 and FY2020/21 covering an eighteen-month period from July 1, 2019 to June 30, 2020 and July 1, 2020 to December 31, 2020; Authorize payment of a State administrative fee equal to twenty percent of the transfer amount estimated at \$1,429,195; and Authorize the County Administrator to execute the necessary agreements with the State of California and Partnership HealthPlan of California
Governing body: Board of Supervisors
District: All
Attachments: 1. Minute Order

Date	Ver.	Action By	Action	Result
5/5/2020	1	Board of Supervisors		

Published Notice Required? Yes ____ No X
Public Hearing Required? Yes ____ No X

DEPARTMENTAL RECOMMENDATION:

The Department of Health & Social Services (H&SS) requests that the Board:

- 1) Authorize H&SS to pursue an Intergovernmental Transfer (IGT) with the California Department of Health Care Services (DHCS) of up to approximately \$7,145,977 in FY2019/20 and FY2020/21 covering an eighteen-month period from July 1, 2019 to June 30, 2020 and July 1, 2020 to December 31, 2020;
- 2) Authorize payment of a State administrative fee equal to twenty percent of the transfer amount estimated at \$1,429,195; and
- 3) Authorize the County Administrator to execute the necessary agreements with the State of California and Partnership HealthPlan of California.

SUMMARY:

The Board approved Intergovernmental Transfer (IGT) agreements from FY2013/14 through FY2018/19 authorizing the transfer of local funds to the California Department of Health Care Services (DHCS). These agreements allow the County to leverage additional federal Medicaid funds for the provision of healthcare services. Under the IGT, Solano County executes agreements to transfer funds to DHCS, including payment of a State administrative fee equal to twenty percent of the transfer amount. DHCS submits the IGT to the Centers for Medicare and Medicaid Services (CMS), and upon approval the federal matching funds are paid to the State. DHCS then increases the amount of its Medi-Cal contract with 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.

In FY2019/20, the IGT funding cycle is experiencing a bridge funding year of 18 months to shift the IGT funding from a fiscal year to a calendar year. H&SS has identified estimated qualifying expenses in FY2019/20 of \$7,145,977. Under the proposed agreement, the County will transfer up to approximately \$7,145,977 in local funds plus a 20% State administrative fee of \$1,429,195. The local funds used for the transfer are available in H&SS and will not impact cash flow on a countywide level.

It is anticipated that the federal revenues for this funding period will increase as a result of the temporary 6.2% increase in the Federal Medi-Cal Assistance Percentage (FMAP) under the Families First Coronavirus Response Act (FFCRA). The temporary increase in FMAP is effective beginning January 1, 2020 and extending through the last day of the calendar quarter in which the public health emergency declared by the Secretary of Health and Human Services for COVID-19 terminates.

FINANCIAL IMPACT:

The source of funding for this transfer and payment will be 1991 Public Health Realignment funds currently allocated to H&SS. The IGT funds and administrative fee are included in the Department's FY2020/21 Requested Budget. There is no additional impact to the County General Fund.

With Board and CMS approval, H&SS will transfer up to approximately \$7,145,977 for the FY2019/20 bridge funding year. Additionally, H&SS will make a payment in the amount of up to \$1,429,195 to DHCS as California Welfare and Institutions Code §14301.4 authorizes the State to assess a twenty percent 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. H&SS anticipates drawing down an estimated \$14,291,954 in IGT funds, which historically, the County has received within 28 -69 days after the transfer of funds.

The cost of preparing the agenda item is nominal and included in the Department's FY2019/20 Adopted Budget.

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). As a Medi-Cal Managed Care Plan, Solano County will transfer up to approximately \$7,145,977 in local funds covering the rate year FY2019/20 to draw down an estimated \$14,291,954 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, increasing access to services, and 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 PHC 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 previously approved by the Board have been used by H&SS 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.

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 and 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