



Legislation Text

File #: 19-173, **Version:** 1

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 \$3,500,626 in FY2018/19 covering rate year 2018/19; Authorize payment of a State administrative fee equal to 20% of the transfer amount estimated at \$700,125; and Authorize the County Administrator to execute the necessary agreements with the State of California and Partnership HealthPlan of California and any related documents and amendments within budget appropriations

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 of up to approximately \$3,500,626 in FY2018/19 covering the managed care rate year 2018/19;
- 2) Authorize payment of a State administrative fee equal to twenty percent of the transfer amount estimated at \$700,125; and
- 3) Authorize the County Administrator to execute the necessary agreements with the State of California and Partnership HealthPlan of California and any related documents and amendments within budgeted appropriations.

SUMMARY:

The Board has approved Intergovernmental Transfer (IGT) agreements in FY2013/14 (February 20, 2015), FY2014/15 (February 9, 2016 with a revision on May 10, 2016), FY2015/16 and FY2016/17 (March 14, 2017), and FY2017/18 (April 3, 2018) authorizing the transfer of local funds to the California Department of Health Care Services (DHCS), which allows 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 20% of 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 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 implemented prospective rate setting beginning FY2017/18 in response to changes in federal rules. For this year's IGT cycle, H&SS has identified estimated qualifying expenses in FY2018/19 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. The IGT transfer will not occur in FY2018/19; therefore, the Department will request approval of the appropriations and include the revenue in its FY2019/20 Requested Budget.

FINANCIAL IMPACT:

With the Board's and CMS' approvals, H&SS will transfer approximately up to \$3,500,626 for the rate year FY2018/19 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 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 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 PHC 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 FY2018/19 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 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 and Tuberculosis 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