



# Monterey County

Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: A 20-255

July 28, 2020

Introduced: 6/23/2020

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 to the agreement (A-13598) with Pacific Health Alliance for project administration ("PA") services for the County of Monterey's Pilot Project for the Remaining Uninsured, extending the agreement an additional twelve (12) month period (January 1, 2021 through December 31, 2021) for a revised full agreement term of August 1, 2017 through December 31, 2021, and adding \$250,000 for a revised total agreement amount not to exceed \$1,150,000.

### **RECOMMENDATION:**

#### **It is recommended the Board of Supervisors:**

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 to the agreement (A-13598) with Pacific Health Alliance for project administration ("PA") services for the County of Monterey's Pilot Project for the Remaining Uninsured, extending the agreement an additional twelve (12) month period (January 1, 2021 through December 31, 2021) for a revised full agreement term of August 1, 2017 through December 31, 2021, and adding \$250,000 for a revised total agreement amount not to exceed \$1,150,000.

### **SUMMARY/DISCUSSION:**

The Affordable Care Act (ACA) was enacted to provide Medicaid (Medi-Cal) and other coverage options through the exchange to many low-income individuals with the goal of decreasing the number of uninsured individuals. However, many Monterey County residents remain uninsured and unable to pay for costly medical care, procedures and prescription medications. Of the uninsured, it is estimated that there are approximately 30,000 to 50,000 adult residents over the age of 25 living in Monterey County without any medical insurance due to their documentation status.

In response to this need, the Board of Supervisors approved an allocation of \$500,000 from the general fund in August 2015 establishing the County's Pilot Project for the Remaining Uninsured to provide limited scope pharmaceuticals, laboratory tests and radiology services. These services were provided by the Health Department's Federally Qualified look-alike health clinics, which serve designated medically underserved populations under the applicable Scope of Project with HRSA (Health Resources and Services Administration) and by Natividad. The County's Pilot Project for the Remaining Uninsured was implemented in November 2015 through September 2017 and served approximately 2,005 individuals.

In May 2017, the Board of Supervisors directed staff to proceed with implementation of an expanded Pilot Project allowing for the provision of primary and specialty care ambulatory services for fiscal

year (FY) 2017-18 funded by the Natividad Enterprise Fund in the amount of \$2 million: \$1.8 million for patient care and \$200,000 for PA services. On June 27, 2017, the Board of Supervisors approved and authorized the current Agreement with Pacific Health Alliance (PHA) for the County of Monterey's Pilot Project for the Remaining Uninsured, effective July 1, 2017 through June 30, 2018 to assist with the project management and reporting.

The Pilot Project, named Esperanza Care, became effective October 1, 2017. The enrollment cap of 2,500 individuals was raised to 3,500 by the Board of Supervisors effective April 1, 2018.

Amendment 1 continued the agreement through December 31, 2019. Effective July 1, 2019, the per member per month reimbursement rate increases by twenty-five cents (\$.25). In addition, amendment 2 extended the term to December 31, 2020, and added an additional \$400,000 to the PA Agreement for a total of \$900,000. This amendment 3 extends the term to December 31, 2021, and adds an additional \$250,000 to the PA Agreement for a total of \$1,150,000.

Esperanza Care will roll over to FY 2020-21 with the same scope of services with an additional expenditure of \$2 million from the Natividad Enterprise Fund. Enrollees in Esperanza Care will be required to re-apply for the Esperanza Care at least annually.

Since the inception, Monterey County will have spent \$8.5 million (\$500,000 from the general fund and \$8 million from the Natividad Enterprise Fund) on Esperanza Care, by the end of FY 2020-21.

**OTHER AGENCY INVOLVEMENT:**

The Office of County Counsel has reviewed and approved this amendment No. 3 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 3 has also been reviewed and approved by NMC's Finance Committee on June 12, 2020 and by its Board of Trustees Executive Committee on June 12, 2020.

**FINANCING:**

The cost for amendment No. 3 is \$250,000, of which \$250,000 is included in the FY 2020-21 Recommended Budget.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

This amendment provides for the smooth transition of the existing Pilot Project for the Remaining Uninsured for FY 2020-21. It offers equitable opportunities for health choices and healthcare which will improve the health and quality of life for Monterey County residents.

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Nancy Majewski, Managed Care Operations Manager, 783-2385

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

PHA PILOT Project Amendment 3

PHA PILOT Project Amendment 2

PHA PILOT Project Amendment 1

PHA PILOT Project Agreement

Attachments on file with the Clerk of the Board

  
\_\_\_\_\_  
Dr. Gary R. Gray, Chief Executive Officer

  
\_\_\_\_\_  
Date



## Monterey County Board of Supervisors

### Board Order

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066  
www.co.monterey.ca.us

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor John M. Phillips to:

**Agreement No.: A – 13598, Amendment No. 3**

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 to the agreement (A-13598) with Pacific Health Alliance for project administration (“PA”) services for the County of Monterey’s Pilot Project for the Remaining Uninsured, extending the agreement an additional twelve (12) month period (January 1, 2021 through December 31, 2021) for a revised full agreement term of August 1, 2017 through December 31, 2021, and adding \$250,000 for a revised total agreement amount not to exceed \$1,150,000.

PASSED AND ADOPTED on this 28<sup>th</sup> day of July 2020, by roll call vote:

AYES: Supervisors Alejo, Phillips, Lopez, Parker and Adams

NOES: None

ABSENT: None

(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting July 28, 2020.

Dated: July 28, 2020  
File ID: A 20-255  
Agenda Item No.: 23

Valerie Ralph, Clerk of the Board of Supervisors  
County of Monterey, State of California

Joel G. Pablo, Deputy

AMENDMENT NO. 3  
To AGREEMENT  
BETWEEN PACIFIC HEALTH ALLIANCE AND  
THE COUNTY OF MONTEREY  
ON BEHALF OF NATIVIDAD  
TO PROVIDE ADMINISTRATIVE SERVICES FOR THE COUNTY OF MONTEREY  
EXPANDED PILOT PROJECT FOR THE REMAINING UNINSURED

This Amendment No. 3 to Agreement ("Agreement"), A-13598, is entered into by and between the County of Monterey ("County"), on behalf of Natividad Medical Center ("Natividad"), and Pacific Health Alliance ("Contractor").

RECITALS

WHEREAS, the County of Monterey (on behalf of Natividad) and CONTRACTOR executed an Agreement (A-13598) for Expanded Plot Program Services with a term of August 1, 2017 through June 30, 2018 (eleven 11 month period) and a total Agreement amount not to exceed \$200,000; and

WHEREAS, the County of Monterey (on behalf of Natividad) and CONTRACTOR amended the July 1, 2018 via Amendment No. 1 to extend the term for an additional one (1) year and six (6) month period to December 31, 2019 and to add an additional \$300,000., thereby increasing the total Agreement amount to \$500,000; and

WHEREAS, the County of Monterey (on behalf of Natividad) and CONTRACTOR amended the July 1, 2019 via Amendment No. 2 to extend it the term for an additional one (1) year and six (6) month period to December 31, 2020 and to add an additional \$400,000., thereby increasing the total Agreement amount to \$500,000; and

WHEREAS, the County of Monterey (on behalf of Natividad) and CONTRACTOR currently wish to amend the Agreement via Amendment No. 3 to extend it for an additional one (1) year and six (6) month period through December 31, 2021 to allow for services to continue, with an increase of \$250,000 for a total Agreement amount not to exceed of \$1,150,000.

AGREEMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. **Section 3.1.** Section 3.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

"3.1 The term of this AGREEMENT is from August 1, 2017 through December 31, 2021 unless sooner terminated pursuant to this AGREEMENT. This AGREEMENT is of no force and effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this AGREEMENT."

2. **Section 5.1.** Section 5.1 to the Agreement is hereby amended and restated to read in entirety as follows:

“5.1 County shall pay CONTRACTOR in accordance with the payment provisions set forth in the Exhibit A-1, subject to the limitation set forth in this AGREEMENT. The total amount payable to the County to the CONTRACTOR under this AGREEMENT shall not exceed the sum of one million, one hundred fifty thousand dollars (\$1,150,000).”

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement, as amended by Amendment No. 1 and Amendment No. 2, are unchanged and unaffected by this Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement.
4. A copy of this Amendment shall be attached to the original Agreement (No. A-13598).
5. The effective date of this Amendment is July 1, 2020.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment No. 3 on the day and year set forth herein.

County of Monterey on behalf of Natividad Medical Center

By: [Signature]  
Gary Gray DO Natividad Chief Executive Officer

Date: 7/27/2020

APPROVED AS TO LEGAL PROVISIONS

By: [Signature]  
Monterey County, Deputy County Counsel

6/24/2020

Date: \_\_\_\_\_

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]  
Gary Giboney  
Monterey County Auditor/Controller's Office

Date: 6/26/2020

Pacific Health Alliance

By: \_\_\_\_\_  
Signature of Chair, President or Vice-President

\_\_\_\_\_  
Name and Title

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

County of Monterey on behalf of Natividad Medical Center

By: \_\_\_\_\_  
Gary Gray DO Natividad Chief Executive Officer

Date: \_\_\_\_\_

APPROVED AS TO LEGAL PROVISIONS

By: \_\_\_\_\_  
Monterey County, Deputy County Counsel

Date: \_\_\_\_\_

APPROVED AS TO FISCAL PROVISIONS

By: \_\_\_\_\_  
Gary Giboney  
Monterey County Auditor/Controller's Office

Date: \_\_\_\_\_

Pacific Health Alliance

By: *Lawrence Cappel*  
Signature of Chair, President or Vice-President

*LAWRENCE CAPPEL*      *PRESIDENT*  
Name and Title

Date: *JUNE 5, 2020*

By: *Barbara Cappel*  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)