



# Monterey County

Item No.

## Board Report

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

Legistar File Number: A 22-246

June 07, 2022

Introduced: 5/18/2022

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 5 to the agreement (A-13598) with Pacific Health Alliance for project administration ("PA") services for the County of Monterey's Esperanza Care Program (Pilot Project for the Remaining Uninsured), extending the agreement an additional one (1) year period (January 1, 2023 through December 31, 2023) for a revised full agreement term of August 1, 2017 through December 31, 2023, and adding \$415,000 for a revised total agreement amount not to exceed \$1,865,000.

### **RECOMMENDATION:**

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

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 5 to the agreement (A-13598) with Pacific Health Alliance for project administration ("PA") services for the County of Monterey's Esperanza Care Program (Pilot Project for the Remaining Uninsured), extending the agreement an additional one (1) year period (January 1, 2023 through December 31, 2023) for a revised full agreement term of August 1, 2017 through December 31, 2023, and adding \$415,000 for a revised total agreement amount not to exceed \$1,865,000.

### **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. Amendment 3 extended the term to December 31, 2021, and added an additional \$250,000 to the PA Agreement for a total of \$1,150,000. Amendment 4 extended the term to December 31, 2022 and added an additional \$300,000 to the PA Agreement for a total of \$1,450,000. Effective July 1, 2021 the Board of Supervisors raised the enrollment cap to 4,500 and increased the annual expenditure amount from \$2 million to \$2.5 million from the Natividad Enterprise Fund. This Amendment 5 extends the term to December 31, 2023 and adds an additional \$415,000 to the PA Agreement for a total of \$1,865,000.

Esperanza Care will roll over to FY 2022-23 with the same scope of services with an additional expenditure of \$2.5 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 \$13.5 million (\$500,000 from the general fund and \$13 million from the Natividad Enterprise Fund) on Esperanza Care, by the end of FY 2022-23.

#### **OTHER AGENCY INVOLVEMENT:**

The Office of County Counsel has reviewed and approved this amendment No. 5 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 5 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on May 13, 2022.

#### **FINANCING:**

The cost for this amendment No. 5 is \$415,000 of which \$15,000 is included in the Fiscal Year 2021-22 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

This amendment provides for the smooth transition of the existing Pilot Project for the Remaining Uninsured for FY 2022-23. 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: Charles R. Harris, Chief Executive Officer, 783-2504

Attachments:

Pacific Health Alliance Amendment 5  
Pacific Health Alliance Amendment 4  
Pacific Health Alliance Amendment 3  
Pacific Health Alliance Amendment 2  
Pacific Health Alliance Amendment 1  
Pacific Health Alliance Agreement

Attachments on file with the Clerk of the Board

Charles R Harris  
Charles R. Harris, M.D., Chief Executive Officer

5/24/2022  
Date