

Counsel

- C) Ratify the application previously made the State of California for the LIHP but with the above described MOE; and
- D) Direct the NMC CEO and the Director of Health to finalize the CCAH Administrative Services Agreement and successfully implement the program, subject to the review and approval by the CAO, County Counsel, and Auditor-Controller.

SUMMARY:

The County of Monterey is part of a statewide effort to sustain and strengthen the Medi-Cal (California's Medicaid) program as part of California's Section 1115 Medicaid Waiver. Development of ViaCare, the County's LIHP, is a partnership between NMC, the Health Department, CCAH, and the Department of Social Services.

ViaCare will provide coverage to approximately 400 - 500 uninsured childless residents ages 19-64 with incomes at or below 100% of FPL. Through ViaCare, the County will provide out of network emergency care to the County's enrollees, and a more expanded scope of physical health services, mental health benefits and case management/coordination. The County will continue to operate the existing Medically Indigent Adult Program ("MIA") for eligible individuals.

Authority from the State to provide a LIHP requires execution of a contract with DHCS, and the submittal and approval of an MOE. The MOE represents the total non-federal funds the County spent on uninsured and MIA health care services during the State's 2009-10 fiscal year not reimbursed from any other source, adjusted to reflect eligibility under the LIHP. An initial application for authority to implement a LIHP was submitted to the State by NMC and the Health Department in February of 2011. On January 15, 2013, the Board directed staff to submit to DHCS a \$3.4 million MOE with 0 - 100% FPL coverage. The submittal was made; however, DHCS communicated that such an MOE and FPL would not be approved.

A revised MOE was subsequently calculated reflecting total adjusted expenditures of approximately \$5.52 million (NMC and Health Department). This figure was submitted to DHCS and has been tentatively approved. DHCS has transmitted a final contract for implementation of the LIHP, which is enclosed as Attachment A. The target start date for ViaCare is March 1, 2013.

ViaCare is a short term program and enrollees will be transferred to Medi-Cal in 2014. It is prudent for the County to contract with a third party administrator for ViaCare. CCAH is the County's Medi-Cal Managed Care entity and has a long standing positive reputation for managing Medicaid benefits. An Administrative Services Agreement is being negotiated with CCAH to function as the third party administrator for ViaCare, and that agreement should be finalized shortly. Under that agreement CCAH will provide utilization management, claims processing, quality assurance, and data reporting as required by DHCS. CCAH will be reimbursed at the rate of three (3) percent of processed claims or \$150,000, whichever is greater. The current draft of the Administrative Services Agreement is enclosed as Attachment B. In order to timely implement ViaCare, it is recommended that the Board authorize the execution of the Administrative Services Agreement in substantially the same form and content as set forth in Attachment B, subject to review and approval by the CAO, County Counsel, and the Auditor-Controller.

In order to implement ViaCare, appropriate amendments to two other existing agreements with CCAH for certain provider services ("Provider Services Agreements") are necessary. Those amendments have been

finalized and authority for their execution is recommended. These agreements are for Referral Physician Services, and Primary Hospital & Outpatient Laboratory Services. CCAH's contract rates for health services set forth in the Provider Services Agreements are not subject to disclosure under the provisions of Welfare and Institutions Code section 14087.58 and Health & Safety Code section 1457(c)(1), and as such are confidential. In light of this, an executive summary explaining the key terms of the amendments to the Provider Services Agreements with CCAH has been prepared and is enclosed as Attachment C. A resolution authorizing the recommended actions is enclosed as Attachment D.

OTHER AGENCY INVOLVEMENT:

NMC, the Health Department, the Auditor - Controller's Office, County Administrative Office/Budget and Analysis Division, County Counsel's Office, and Toyon & Associates coordinated this effort. The Auditor - Controller's Office, County Administrative Office/Budget and Analysis Division, and County Counsel's Office have not reviewed in detail nor audited the financial documentation supporting the revised MOE, and in that regard are relying upon the representations of the NMC staff.

FINANCING:

All costs associated with ViaCare will be financed by NMC's cash/fund balance. The maximum LIHP expenditure (non-federal and federal share) will depend on the final MOE, actual enrollment and costs, as well as the start date of the County's LIHP program (which will terminate December 31, 2013). With the revised MOE, the projected start date for ViaCare is March 1, 2013. The County may establish enrollment caps and make adjustments to the LIHP income eligibility to avoid exceeding the available funding; however, the County must follow DHCS rules regarding those matters. Claims for federal reimbursement will be made against certified public expenditures, and paid claims for LIHP enrollees, including administrative expenditures, will be included in NMC's Annual Waiver Cost Report ("P14").

Prepared by:

Leslie J. Girard
Chief Assistant County Counsel
Dated: February 7, 2013

Approved by:

Harry Weis
NMC CEO
Dated: February 7, 2013

Approved by:

Ray Bullick, Director
Monterey County Health Department
Dated: February 7, 2013

- Attachments: A. DHCS Agreement
B. CCAH Administrative Services Agreement
C. Executive Summary of CCAH Provider Services Agreements
D. Board Resolution