



Legislation Details (With Board Report)

**File #:** A 14-089      **Name:** Medical Construction Renovation Reimbursement Program (CRRP) Provider Participation Agreement

**Type:** BoS Agreement      **Status:** Passed

**File created:** 5/15/2014      **In control:** Board of Supervisors

**On agenda:** 6/17/2014      **Final action:** 6/17/2014

**Title:** a. Approve the Medical Construction Renovation Reimbursement Program (“Agreement”) between the County of Monterey (“County”), on behalf of Natividad Medical Center (“NMC”), and the California Department of Health Care Services (“State DHCS”), for supplemental reimbursement to the County by the State DHCS of debt service expenses on the certificates of participation issued to fund the replacement of the buildings and fixed equipment of the old hospital, for the period July 1, 2013 until termination of Agreement by County upon 30 days’ notice, with or without cause, or until automatic termination upon occurrence of events set forth in Agreement; and  
 b. Authorize Purchasing Manager for NMC to execute the Agreement in substantially the same form as that which has been presented to the Board of Supervisors, subject to approval by County Counsel and County Auditor-Controller.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment 2.pdf, 2. PPA-Natividad Attachment 1.pdf, 3. Completed Board Order

Date	Ver.	Action By	Action	Result
6/17/2014	1	Board of Supervisors	approved	

a. Approve the Medical Construction Renovation Reimbursement Program (“Agreement”) between the County of Monterey (“County”), on behalf of Natividad Medical Center (“NMC”), and the California Department of Health Care Services (“State DHCS”), for supplemental reimbursement to the County by the State DHCS of debt service expenses on the certificates of participation issued to fund the replacement of the buildings and fixed equipment of the old hospital, for the period July 1, 2013 until termination of Agreement by County upon 30 days’ notice, with or without cause, or until automatic termination upon occurrence of events set forth in Agreement; and  
 b. Authorize Purchasing Manager for NMC to execute the Agreement in substantially the same form as that which has been presented to the Board of Supervisors, subject to approval by County Counsel and County Auditor-Controller.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Approve the Medical Construction Renovation Reimbursement Program (“Agreement”) between the County of Monterey (“County”), on behalf of Natividad Medical Center (“NMC”), and the California Department of Health Care Services (“State DHCS”), for supplemental reimbursement to the County by the State DHCS of debt service expenses on the certificates of participation issued to fund the replacement of the buildings and fixed equipment of the old hospital, for the period July 1, 2013 until termination of Agreement by County upon 30 days’ notice, with or without cause, or until automatic termination upon occurrence of events set forth in Agreement; and

- b. Authorize Purchasing Manager for NMC to execute the Agreement in substantially the same form as that which has been presented to the Board of Supervisors, subject to approval by County Counsel and County Auditor-Controller.

**SUMMARY/DISCUSSION:**

On December 1, 1998, the County of Monterey (“County”) d/b/a NMC and the State Department of Health Services (“State DHS”) entered into a Select Provider Contracting Program agreement. The contract qualified the County to receive reimbursement under the Construction Renovation Reimbursement Program (“CRRP”) (SB 1732), in the form of supplemental payments, on the debt service expenses associated with the certificates of participation issued to replace the buildings and fixed equipment of the old hospital (“Hospital Replacement Project”). (See Appendix E of County’s prior agreement with California Medical Assistance Commission (“CMAC”), whose authority was transferred to State DHS in 2012 (Attachment 2).)

The Select Provider Contracting Program ended in June 30, 2013. The continuity of the Program required the approval by the Centers for Medicare and Medicaid Services of the Construction Renovation Reimbursement Program (CRRP) State Plan Amendment (SPA) 13-011 which occurred on December 11, 2013. The SPA 13-011 grants authority to the State DHS to continue making CRRP payments to hospitals that had participated in the Select Provider Contracting Program. This Agreement, presented for the Board’s consideration and approval, will permit the County to continue to receive supplemental payments on the debt service expenses associated with the issuance of the above-described certificates of participation. (See Attachment 1.)

The County has received over \$46 million dollars in supplemental payments for debt service expenses from 1998 through 2013.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Agreement as to legality and form. Auditor-Controller has reviewed and approved this Agreement as to fiscal provisions. This Agreement is forwarded directly to the Board of Supervisors for approval with the consent of NMC’s CEO due to the sensitive timing in the continuation of payments.

**FINANCING:**

NMC is confirming its appropriations position and if its spending authority has been exceeded will return to the Board. There is no impact to the General Fund.

Prepared by: Daniel Leon, Chief Financial Officer, 783-2561  
Approved by: Harry Weis, Chief Executive Officer, 783-2553

1. Attachments: Medical Construction Renovation Reimbursement Program (CRRP) Provider Participation Agreement
2. CMAC Agreement, with Appendix E - Construction/Renovation Reimbursement Program