



## Legislation Details (With Board Report)

<b>File #:</b>	BC 24-059	<b>Name:</b>	Clinic Services Appropriations Increase
<b>Type:</b>	Budget Committee	<b>Status:</b>	Agenda Ready
<b>File created:</b>	5/1/2024	<b>In control:</b>	Budget Committee
<b>On agenda:</b>	5/31/2024	<b>Final action:</b>	

**Title:** Support the request to:  
a. Amend the Health Department's Fiscal Year (FY) 2023-24 Adopted Budget to increase appropriations in the Clinic Services Bureau (001-4000-8592-HEA007) by \$7,847,000 financed by assigned fund balance (001-3043-FQHC); and  
b. Authorize and direct the Auditor-Controller, and the County Administrative Office to incorporate the appropriations changes in the FY 2023-24 Health Department's Clinic Services Bureau Adopted Budget (001-4000-8592-HEA007).

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. BC Report

Date	Ver.	Action By	Action	Result
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b. Authorize and direct the Auditor-Controller, and the County Administrative Office to incorporate the appropriations changes in the FY 2023-24 Health Department's Clinic Services Bureau Adopted Budget (001-4000-8592-HEA007).

**RECOMMENDATION:**

It is recommended that the Budget Committee support the request to:  
a. Amend the Health Department's Fiscal Year (FY) 2023-24 Adopted Budget to increase appropriations in the Clinic Services Bureau (001-4000-8592-HEA007) by \$7,847,000 financed by assigned fund balance (001-3043-FQHC); and  
b. Authorize and direct the Auditor-Controller, and the County Administrative Office to incorporate the appropriations changes in the FY 2023-24 Health Department's Clinic Services Bureau Adopted Budget (001-4000-8592-HEA007).

**SUMMARY/DISCUSSION:**

The Clinic Services Bureau requires increased appropriations to process payments to the State, which result from the annual Medi-Cal PPS Reconciliation process. Until this FY, the repayment period lagged about one or two FYs; however, the State has transitioned to an electronic Medi-Cal PPS Reconciliation filing, which has expedited the processing and repayment timelines. Accordingly, repayments anticipated to occur in future FYs will be incurred in FY 2023-24 and will be financed with funds set aside for this purpose.

The Clinic Services Bureau provides primary healthcare services to County residents, and bills Medi-Cal for all reimbursable services. Patient encounters are billed and reimbursed at the wrap rate, which is lower than the

Prospective Payment System (PPS) rate established by the state. This is supplemented by per-member per-month (PMPM) payments and other payments tied to the Medi-Cal claims. Annually, these payments undergo the annual Medi-Cal PPS Reconciliation process. If the combined payments from wrap rates, PMPM, and other relevant payments, exceed the allowable amount calculated by multiplying the number of encounters by the PPS rate, the difference must be remitted to the State. Conversely, if the payments fall short, the State remits the difference to the Clinic Services Bureau.

Until recently, the Medi-Cal PPS Reconciliation process lagged one or two FYs. However, the State has now transitioned to an electronic filing system, which has shortened the processing timelines. The Clinic Services Bureau's FY 2023-24 Adopted Budget included a provision for an anticipated reimbursement to the State in the amount of \$3,751,839. To date, \$5,132,402 has been remitted, with additional invoices totaling \$6,466,437 expected in the coming weeks, which will bring repayments to the State current through FY 2022-23. Accordingly, additional appropriations are required in order to process full reimbursement to the State.

This recommended action supports the County of Monterey Health Department 2018-2024 Strategic Plan Goals: 3) Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services; and 4) Engage Monterey County Health Department workforce and improve operational functions to meet current and developing population health needs.

OTHER AGENCY INVOLVEMENT:

The County of Monterey Administrative Office has reviewed and approved the requested increase in appropriations.

FINANCING:

There will be no impact to the General Fund from approval of this action. The requested appropriations increased will be financed with funds set aside for this purpose.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability, and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses, and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Mel Garcia, Finance Manager II, 783-7048

Reviewed by: Miriam Mendoza, Finance Manager III, 755-4622

Approved by:

Date

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Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Staff Report