



County of Monterey

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

Board Report

File #: A 14-031, **Version:** 1

- a. Authorize the Purchasing Manager for Natividad Medical Center (“NMC”) to execute the Agreement for Public Hospitals Providing Outpatient Services (“Agreement”) between the County of Monterey (“County”) d/b/a NMC and the California Department of Health Care Services (“State DHCS”), permitting the State DHCS to receive reimbursement from the County for the administrative costs of operating the Public Hospital Outpatient Services Supplemental Reimbursement Program, for the period beginning July 1, 2012 (pursuant to State DHCS requirements) until termination of Agreement by County upon ten days’ notice, with or without cause, or until automatic termination upon occurrence of events set forth in Agreement; and
- b. Authorize the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this Agreement where the total amendments do not significantly change the scope of work and subject to approval of County Counsel and the Auditor Controller. (ADDED VIA ADDENDUM)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Purchasing Manager for Natividad Medical Center (“NMC”) to execute the Agreement for Public Hospitals Providing Outpatient Services (“Agreement”) between the County of Monterey (“County”) d/b/a NMC and the California Department of Health Care Services (“State DHCS”), permitting the State DHCS to receive reimbursement from the County for the administrative costs of operating the Public Hospital Outpatient Services Supplemental Reimbursement Program, for the period beginning July 1, 2012 (pursuant to State DHCS requirements) until termination of Agreement by County upon ten days’ notice, with or without cause, or until automatic termination upon occurrence of events set forth in Agreement.
- b. Authorize the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this Agreement where the total amendments do not significantly change the scope of work and subject to approval of County Counsel and the Auditor Controller.

SUMMARY/DISCUSSION:

On September 21, 2002, the Governor signed AB 915 (Frommer), a State bill sponsored by the City and County of San Francisco and the Department of Public Health. AB 915 establishes the Medi-Cal Outpatient Certified Public Expenditure Program to allow local health jurisdictions and the University of California to use local general fund dollars to obtain federal financial participation for the unreimbursed costs of providing hospital outpatient services and adult day health services to Medi-Cal patients. This Program allows for federal supplemental payments for unreimbursed Medi-Cal hospital fee-for-service (“FFS”) expenses based on certified public expenditures (“CPE”) incurred at public hospitals. The supplemental payments are claimed and paid out yearly to the participating providers. The County has received between fiscal year 2004 and 2013 a total of \$13.5 million on unreimbursed outpatient services.

An existing agreement between the County and the State DHCS is in place, permitting the State DHCS to receive reimbursement from the County for the administrative costs of operating the Public Hospital Outpatient Services Supplemental Reimbursement Program. The State has requested, however, a new agreement to be

executed by participating local entities for the same purpose, for SFY 2012-2013 and forward.

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. The Agreement has also been reviewed and approved by Natividad Medical Center's Finance Committee approved on February 27, 2014 and Board of Trustees on March 7, 2014 for forwarding to the Board of Supervisors for approval.

FINANCING:

The Administrative cost of implementing this program will be reimbursed to the DHCS by the participating public agencies. Natividad Medical Center ("NMC") and County of Monterey ("County") have not been selected by the state to pay the administrative cost, since the inception of the program.

There is no impact to the General Fund.

Prepared and approved by: Daniel Leon, Chief Financial Officer, 783-2561

Attachments: Previous Agreement, New Agreement

Attachments on File with the Clerk to the Board's Office