



County of Monterey

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

Board Report

File #: A 14-168, **Version:** 1

Approve and authorize the Chief Executive Officer of Natividad Medical Center (NMC) to sign an Agreement with Salinas Valley Memorial Healthcare System (“District”), for the period March 1, 2013 through December 31, 2016, for the establishment of the claiming process, procedures and related obligations of the parties under which the County will submit claims prepared by the District for the federal matching funds associated with District’s unreimbursed costs and pay those federal funds received to the District as supplemental payment for covered services rendered to ViaCare Low Income Health Program (“LIHP”) enrollees.

RECOMMENDATION:

It is recommended that the Board of Supervisors approve and authorize the Chief Executive Officer of Natividad Medical Center to sign an Agreement with Salinas Valley Memorial Healthcare System (“District”), for the period March 1, 2013 through December 31, 2016, for the establishment of the claiming process, procedures and related obligations of the parties under which the County will submit claims prepared by the District for the federal matching funds associated with District’s unreimbursed costs and pay those federal funds received to the District as supplemental payment for covered services rendered to ViaCare Low Income Health Program (“LIHP”) enrollees.

SUMMARY:

On November 2, 2010, the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (“CMS”), approved the State of California’s Section 1115 Medicaid Waiver Proposal, Bridge to Reform Demonstration Project (“Demonstration”), as a transition to federal health care reform. Pursuant to the Special Terms and Conditions (STCs”) of the Demonstration and Section 15909, et seq., of the Welfare and Institutions Code, the County contracted with the State Department of Health Services (“DHCS”) to operate a Low Income Health Program known as ViaCare Monterey County (“ViaCare”). The County is eligible for federal funding for certain health care services provided to eligible persons enrolled in ViaCare.

The County entered into the “Administrative Services Agreement” with Central California Alliance for Health (“Alliance”), under which Alliance has provided administrative services to support the ViaCare LIHP, including, but not limited to the establishment and maintenance of a network of participating providers, and claims adjudication, processing and payment. Pursuant to the County’s Administrative Services Agreement with Alliance, Alliance has acted on behalf of the County in contracting with network providers and in disbursing County funds for services provided to ViaCare LIHP enrollees at rates established in the contracts with network providers. The District contracted with Alliance to provide health care services to ViaCare LIHP enrollees as a network provider.

Pursuant to the STCs and the Demonstration claiming protocols, the County has the opportunity to claim federal matching funds for expenditures of the District for covered services provided to ViaCare LIHP enrollees, to the extent that the costs incurred by the District in providing those services exceeds the amounts paid or payable to the District by Alliance. The Agreement now before the Board for approval establishes the claiming process, procedures, obligations and payment for covered services rendered to ViaCare LIHP

enrollees. The Agreement is effective March 1, 2013 as that is the date the District began to provide services for LIHP enrollees. The termination date is December 31, 2016 to allow sufficient time for federal processing of claims to occur.

OTHER AGENCY INVOLVEMENT:

County Counsel, County Administrative Office, Auditor-Controller and Risk Management have reviewed and approved this Agreement as to legal form and fiscal provisions. The CAO-Budget and Analysis Division has advised NMC to inform the BOS that the spending authority (appropriations) associated with NMC's FY 2014 Adopted Budget has been exceeded and approval and authorization for modification of NMC's appropriation budget should be presented to the BOS. Since NMC is an Enterprise Fund, this does not prevent continued expenditures, but it is considered good public policy, transparency and fiscal management. The Amendment has also been reviewed and approved by Natividad Medical Center's Finance Committee 5.22.14 and Board of Trustees 6.6.14.

FINANCING:

This Agreement is funded by the Federal government. Natividad Medical Center will pass the funds from the Federal government to the District.

Prepared by: Nancy Majewski, Managed Care Operations Manager, NMC

Approved by: Daniel Leon, CFO, NMC

Attachment:

Low Income Health Program Federal Funds Claiming Agreement