



County of Monterey

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

Board Report

File #: A 15-027, **Version:** 1

Authorize the Interim Chief Executive Officer of Natividad Medical Center (NMC) to execute the Central California Alliance for Health (CCAH) Fourth (4th) Amendment to the Primary Care Physician (PCP) Services Agreement, changing the reimbursement rate for Primary Care Services and changing CCAH's criteria for 2015 Care Based Incentives.

RECOMMENDATION:

It is recommended the Board of Supervisors

Authorize the Interim Chief Executive Officer of Natividad Medical Center (NMC) to execute the Central California Alliance for Health (CCAH) Fourth (4th) Amendment to the Primary Care Physician (PCP) Services Agreement, changing the reimbursement rate for Primary Care Services and changing CCAH's criteria for 2015 Care Based Incentives.

SUMMARY/DISCUSSION:

The Central California Alliance for Health (CCAH) is the Medi-Cal Managed Care Commission for Santa Cruz -Monterey-Merced counties. NMC provides primary care physician services to CCAH members. The County of Monterey, on behalf of NMC, entered into a Primary Care Physician Agreement with CCAH with an original term of January 1, 2011 through December 31, 2011. Since then, the Agreement has been renewed automatically for successive one-year terms, subject to three termination provisions (immediate termination, termination without cause, termination with cause). Prior to 2013, specific PCP services codes were paid at the greater of a percentage of the State Medi-Cal fee schedule or the CCAH compensation schedule. Effective January 1, 2013 through December 31, 2014, CCAH implemented fee for service payments at the rates required by the Affordable Care Act (ACA) which were based on the Medicare fee schedule for ACA PCP services and the Medi-Cal fee schedule for non-ACA PCP services. Under the ACA law, funding to support the enhanced payments expired as of December 31, 2014 and the rates changed to a percentage of the State Medi-Cal fee schedule for all services.

The Care Based Incentive program is designed to compensate Primary Care Physicians based on a point system for efforts undertaken to improve the care provided to eligible members as reflected by data measured by CCAH. For 2015, CCAH is reallocating points for some measures, adding three new quality of care measures, adding one performance improvement measure, and implementing a Postpartum Care incentive. The incentive payment is made annually to providers. The Fourth Amendment changes the fee-for-service payments for services provided and implements the Care Based Incentive Program for 2015.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. The Amendment has also been reviewed and approved by NMC's Finance Committee on 01/22/15 and by the NMC Board of Trustees on 02/06/15.

FINANCING:

The impact of the decrease in rates from Medicare to Medi-Cal is less than \$12,000 and the opportunity for the incentive payment is approximately \$20,000.

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Approved by: Dr. Gary Gray, Interim Chief Executive Officer, 783-2553

Attachment: Amendment No.5, Amendment No.4 through Amendment No1, and Original Agreement

Attachments on file with the Clerk of the Board