



County of Monterey

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

Board Report

File #: A 15-292, **Version:** 1

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute an Agreement with the County of Los Angeles ("Host County") for the California Department of Health Care Services ("DHCS") Medicaid administrative costs related to administering the Low Income Health Program ("LIHP") effective July 1, 2015 through June 30, 2017 with a total aggregate amount not to exceed \$150,000.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute an Agreement with the County of Los Angeles ("Host County") for the California Department of Health Care Services ("DHCS") Medicaid administrative costs related to administering the Low Income Health Program ("LIHP") effective July 1, 2015 through June 30, 2017 with a total aggregate amount not to exceed \$150,000.

SUMMARY/DISCUSSION:

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").

Pursuant to the LIHP agreement between the County of Monterey and DHCS, the County of Monterey agreed to pay a portion of the State's costs of administering the program. An agreement was reached with DHCS that it would deal only with one county, known as the Host County, for purposes of invoicing, payment and appeals associated with those administrative expenses. Los Angeles County agreed to act as the Host County and as such it enters into agreements with all of the counties which have participated in the LIHP. Exhibit 1 of the Agreement shows the distribution formula used to calculate each participating entity's share of allowable state administrative expenses. Exhibit 2 of the Agreement shows the Annual Compensation Payment due to the Host County. The DHCS has not yet completed all calculations nor have they fully invoiced all of the participating counties therefore the total annual fees for each of the Demonstration Years (DY) has yet to be determined for DY8 (FY12-13), DY9 (FY13-14) and DY10 (FY14-15). NMC has evaluated the current invoices received to date and estimates that the total amount payable for the LIHP for shall not exceed \$150,000.

The previous Agreement between Natividad Medical Center and Los Angeles County which was approved by the Board of Supervisors on June 24, 2014 for the LIHP expired on June 30, 2015 and only authorized an amount of \$24,367 to be spent which was based on the pending invoice at the time for DY8 (FY12-13). NMC has since learned that additional fees will be invoiced for DY8 as soon as the State is able to catch up on their billing paperwork. This new Agreement will be effective July 1, 2015 through June 30, 2017 and is intended to cover the remaining amounts due for DY8 (FY12-13), DY9 (FY13-14) and DY10 (FY14-15), plus any LIHP

closeout fees which may be allocated as the program closed in DY10 (FY14-15). NMC expects to be fully invoiced during the next two (2) year period.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Agreement as to legal form and risk provisions. The 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 on 7/30/15 and NMC's Board of Trustees on 8/7/15.

FINANCING:

The cost for this Agreement is \$150,000, \$75,000 of which is included in the Fiscal Year 2015-16 Budget. The remaining amount will be budgeted in FY16-17 as appropriate. There is no impact to the General Fund.

Prepared by: Nancy Majewski, Managed Care Operations Manager, 783-2385

Approved by: Daniel Leon, Chief Financial Officer, 783-2561

Attachment:

County of Los Angeles LIHP Agreement