
Setting the Standard in Health Care Excellence

October 8, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT:

Ratification and Approval of Amendment Five to the Hospital Services Agreement with Cigna HealthCare of California, Inc. and Cigna Health and Life Insurance Company, collectively "Cigna," Effective August 1, 2024 Through July 31, 2026.

RECOMMENDATION:

That your Board ratify, approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the attached Amendment Five to the Hospital Services Agreement with Cigna HealthCare of California, Inc. and Cigna Health and Life Insurance Company, collectively "Cigna," Effective August 1, 2024 Through July 31, 2026..

FISCAL IMPACT:

Mandatory:	No
Source of Funding:	Cigna
Funding Match Required:	None
Impact on Other Departments:	NA

Summary of Annual Revenues and Costs under this agreement:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
REVENUE:	\$2,789,519	\$2,933,778
DIRECT COSTS:	\$2,789,519	\$2,933,778
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

Current Year Fiscal Budget

Current FY 2024-25 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	720,985,484	720,985,484	720,985,484	-
Revenue	721,404,225	721,404,225	721,404,225	-
Operational Income/ (Loss)	418,741	418,741	418,741	-

Sufficient revenue and appropriations are included in the FY 24-25 adopted budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

STRATEGIC PLAN PRIORITY:

The item presented in this Board letter supports the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing access to quality healthcare required for our community to thrive.

RATIFICATION:

Since Cigna is willing to make these rate changes effective August 1, 2024 ratification of acceptance as of that date will result in more revenue for the services provided during the period from August 1, 2024 to this date.

DISCUSSION:

Cigna is a managed health care company that offers various Commercial products, including HMO and PPO plans. The County of Ventura has maintained a hospital services contract with Cigna since 2006. The County of Ventura and Cigna have finalized negotiations to increase hospital rates by approx 33% in the first year, and an additional three percent (3%) in the second year. This Amendment is projected to increase contract revenue by approx \$1.4 million over the two year period.

The portions of the agreement concerning compensation paid to HCA are exempt from disclosure under the Public Records Act (Health and Safety Code Section 1457 (c) (1)). If the Board would like further information regarding the rates, the original agreements are retained by Mike Taylor, HCA Chief Financial Officer.

This letter has been reviewed by the County Executive Office, County Counsel, and Auditor-Controller's Office. If you have any questions regarding this item, please call Paul Jaconette, MPH, Director of Strategy and Business Development at 805-677-5105.



Theresa Cho, MD, MHA
Health Care Agency Director

Exhibit 1 – Cigna - Amendment Five to the Hospital Services Agreement