

Setting the Standard in Health Care Excellence

June 4, 2024

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

SUBJECT:

Approval of First Amendment to the Provider Group Services Agreement with Cigna HealthCare of California, Inc. ("CHC") and Cigna Health and Life Insurance Company ("CHLIC") collectively "Cigna" ("Cigna"), Effective July 1, 2024 Through June 30, 2025.

RECOMMENDATION:

That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the attached First Amendment to the Provider Group Services Agreement with Cigna HealthCare of California, Inc. ("CHC") and Cigna Health and Life Insurance Company ("CHLIC") collectively "Cigna" ("Cigna"), Effective July 1, 2024 Through June 30, 2025.

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 2023-24</u>	<u>FY 2024-25</u>
REVENUE:	\$204,945	\$300,777
DIRECT COSTS:	\$204,945	\$300,777
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

Current Year Fiscal Budget

Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$673,790,899	\$721,214,436	\$676,277,276	\$44,937,160
Revenue	\$665,452,626	\$682,772,959	\$672,052,975	(\$10,719,984)
Operational Income/(Loss)	(\$8,338,273)	(\$38,441,477)	(\$4,224,301)	\$34,217,176

Sufficient revenue and appropriations are included in the FY 23-24 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.

DISCUSSION:

Cigna is a managed health care company that offers various commercial insurance products commonly known as HMO and PPO benefit plans. The County of Ventura has maintained a professional services contract with Cigna since November of 2006. The County of Ventura and Cigna continue negotiating a new base agreement for a multi-year term. In the interim, this First Amendment provides rate increases that will enhance revenue from this contract by nearly forty-seven percent (47%) over a one-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.


Barry L. Zimmerman
Health Care Agency Director

Exhibit 1 - Cigna HealthCare of California – First Amendment to the Provider Group Services Agreement