

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 Amendment One to the Hospital Participation Agreement with Humana Health Plan, Inc. and Humana Insurance Company and Their Affiliates That Underwrite or Administer Health Plans (“Humana”), Effective August 1, 2024 Through July 31, 2026.

RECOMMENDATION:

That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the attached Amendment One to the Hospital Participation Agreement with Humana Health Plan, Inc. and Humana Insurance Company and their affiliates that underwrite or administer health plans (“Humana”), Effective August 1, 2024 Through July 31, 2026.

FISCAL IMPACT:

Mandatory: No
Source of Funding: Humana
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:	\$0	\$3,442,866
DIRECT COSTS:	\$0	\$3,442,866
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:

Humana is a managed health care company that offers various Medicare-sponsored insurance products commonly known as Medicare Advantage ("MA") HMO, MA-POS and MA-PPO benefit plans. Humana currently has approximately 4,500 HMO/POS members and 150 PPO members in the local region. The County of Ventura has maintained a hospital services contract with Humana for its MA-HMO and MA-POS members since October of 2013. The County of Ventura and Humana have finalized negotiations to: 1) augment inpatient hospital rates; 2) extend the contract to MA-PPO members; and 3) extend the term of the contract for a two (2) year period ending July 31, 2026. This Amendment One is projected to increase revenue by about thirty-two percent (32%).

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 – Humana - Amendment One to the Hospital Participation Agreement