

October 29, 2024

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

Subject: Approval of Amendment No. 1 to the Hospital Services Agreement with the Ventura County Medi-Cal Managed Care Commission, Doing Business as Gold Coast Health Plan, Increasing Rates for Certain Outpatient Procedures Effective October 1, 2024, and Extending the Term of the Agreement; Ratification of the Health Care Agency's Provision of Services Under the Terms of the Amendment.

Recommendation:

That your Board approve Amendment No. 1 to the Hospital Services Agreement ("Amendment") with the Ventura County Medi-Cal Managed Care Commission, doing business as Gold Coast Health Plan ("Gold Coast"), increasing the rates for certain outpatient procedures effective October 1, 2024, and extending the term of the Hospital Services Agreement through June 30, 2026, and ratify the Health Care Agency's ("HCA") provision of services under the terms of the Amendment pending your Board's approval.

Reason for Ratification:

HCA recently completed negotiations with Gold Coast for an increase in certain outpatient services to be effective October 1, 2024.

Fiscal Impact:

Mandatory:	No
Source of Funding:	VCMC Operating Revenues/Collections
Funding Match Required:	None
Impact on Other Departments:	N/A

Summary of Annual Revenues and Costs Under this Agreement:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
REVENUE:	\$5,060,000	\$ 6,745,000
DIRECT COSTS:	\$5,060,000	\$ 6,745,000
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current Fiscal Year Budget:

Current FY 2024-25 Budget Projections for Ventura County Medical System #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$720,985,484	\$720,985,484	\$720,985,484	\$0
Revenue	\$721,404,225	\$721,404,225	\$721,404,225	\$0
Operational Income/(Loss)	\$418,741	\$418,741	\$418,741	\$0

Sufficient revenue and appropriations are included in the FY 24-25 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:

Under the Hospital Services Agreement, HCA provides inpatient and some hospital-based outpatient services for Gold Coast members. The current rates for some services are well below market value. The proposed Amendment (Exhibit 1) would increase the fee for service rates for some outpatient services effective October 1, 2024, including gender-affirming surgeries, implants, and medications. Stratified rates would be established for other outpatient services, with the case rate for procedures increasing in relation to the billed hospital charges.

In addition, new rates would be established for specific inpatient procedures, including gender-affirming surgeries and certain types of medical implants and high-cost medications.

The Amendment would also extend the term of the Hospital Services Agreement by one year, through June 30, 2026.

This letter has been reviewed by the County Counsel, the Auditor-Controller's Office, and the County Executive Office. If you have any questions regarding this item, please call John Fankhauser, M.D., Chief Executive Officer, County Hospitals, at 805-652-6058.



JOHN FANKHAUSER, M.D.
Chief Executive Officer, County Hospitals

Theresa Cho, MD, MHA
Health Care Agency Director

Exhibit 1 - Amendment No. 1 to Hospital Services Agreement