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*Setting the Standard in Health Care Excellence*

July 23, 2019

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

**Subject:**

**Approval of an Intergovernmental Agreement Regarding Transfer of Public Funds (Contract #18-95628) with the Department of Health Care Services, Including any Non-Material Change Approved by County Counsel; Approval of a Health Plan-Provider Rate Range IGT Agreement FY18-19 with the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan.**

**Recommendations:**

1. That your Board approves, and authorizes the Health Care Agency (HCA) Director or designee to sign, an Intergovernmental Agreement Regarding Transfer of Public Funds (Contract #18-95628) (Exhibit 1) between the Department of Health Care Services (DHCS) and the County of Ventura (County), including any non-material changes that may be required by DHCS or the Centers for Medicare and Medicaid Services (CMS), subject to approval by County Counsel.
2. That your Board approves, and authorizes the HCA Director or designee to sign, the Health Plan-Provider Rate Range IGT Agreement FY18-19 (Exhibit 2) between the County and the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan (GCHP).

**Fiscal Impact:**

Mandatory:	No
Source of Funding:	Gold Coast Health Plan
Funding Match Required:	None
Impact on Other Departments:	N/A

**Summary of Annual Revenues and Costs under this agreement:**

	<u>FY 2018-19</u>
REVENUE	\$35,637,788
DIRECT COSTS:	\$14,224,250
INDIRECT COSTS:	Minor
NET REVENUE <COST>	\$21,413,538

**Current Fiscal Year Budget:**

<b>FY 2019-20 Budget Projections for Ventura County Medical Center #3300</b>				
	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Projected Actual</b>	<b>Estimated (Savings/Deficit)</b>
Expenditures	\$504,040,129	\$504,040,129	\$504,040,129	\$0
Revenue	\$501,052,444	\$501,052,444	\$501,052,444	\$0
Operational Income/(Loss)	(\$2,987,685)	(\$2,987,685)	(\$2,987,685)	\$0

\* Revenue and appropriations are included in the FY18-19 budget, and does not affect the FY19-20 budget. The operational income includes "Operating Transfers In" that is primarily attributed to County contributions.

**Discussion:**

This is the seventh consecutive year the County has participated in the intergovernmental transfer (IGT) program. This year with your Board's approval, and upon execution of the proposed agreement, the County will send funds to the State of California, which will be used by the State as matching funds to access additional federal dollars for services provided by the Ventura County Medical Center (VCMC) medical system to GCHP enrollees.

The Medi-Cal program operates under a 50/50 match of funds in which the State or local governments fund up to 50% of the program and the federal government provides a 50% match. Under the IGT program, the County transfers to DHCS 50% of the fees generated by the rate increase for GCHP, which rates are based upon an actuarial analysis of services, costs and reimbursement. Funds provided by the County will be returned by the State through the Ventura County Medi-Cal Managed Care Commission, operator of GCHP, along with the 50% federal match less fees assessed by the State.

On June 11, 2019, DHCS issued a letter setting the IGT amount for the program period July 1, 2018 through June 30, 2019.

The first part of the process involves the IGT agreement. This document is required by CMS for all IGTs. Upon approval by your Board, signed copies of the agreement will be submitted to DHCS and forwarded to CMS. We are requesting that your Board authorize the Health Care Agency Director or designee to sign the final agreement, including any non-material changes that may be required by DHCS or CMS, subject to approval by County Counsel.

***Intergovernmental Agreement Regarding Transfer of Public Funds***

This proposed agreement is between DHCS and the County of Ventura. The Ventura County Medi-Cal Managed Care Commission is a party to a Medi-Cal managed care contract with DHCS, wherein GCHP arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in Ventura County. The County shall transfer funds to DHCS pursuant to section 14164 of the Welfare and Institutions Code up to a maximum amount of \$11,992,800 for the period July 1, 2018 through June 30, 2019, to be used solely as a portion of the nonfederal share of the increases in the capitation rates within the actuarially sound Medi-Cal managed care rate range payable to GCHP. The County shall certify that the funds transferred qualify for federal participation.

Under the proposed agreement DHCS shall, upon acceptance of the nonfederal share IGT, exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20% assessment fee on the amount of the nonfederal share IGT to reimburse DHCS for the administrative costs of operating the IGT program and for support of the Medi-Cal program. This fee is estimated at \$2,231,450.

### ***Health Plan/Provider Agreement***

Upon the Ventura County Medi-Cal Managed Care Commission's receipt of any Medi-Cal managed care capitation rate increases from DHCS, where the nonfederal share is funded by the County through the IGT agreement, effective July 1, 2018 through June 30, 2019, GCHP shall pay to the County the amount GCHP receives from DHCS.

### ***Fiscal Summary***

The total funding required to execute the IGT agreement for the period July 1, 2018 through June 30, 2019 is \$11,992,800. Upon repayment of these funds and the payment of the DHCS assessment fee, the County will receive a net revenue increase of \$21,413,538 for the period July 1, 2018 through June 30, 2019.

The approved agreement is due to DHCS at the close of business on August 15, 2019.

This letter has been reviewed by the County Executive Office, County Counsel, and Auditor-Controller's Office. If you have any questions regarding these recommendations, please contact Karla Valle, HCA Chief Financial Officer, at 677-5140.



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Karla Valle  
HCA Chief Financial Officer



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William T. Foley  
Health Care Agency Director

Attachments:

Exhibit 1 – Intergovernmental Agreement Regarding Transfer of Public Funds FY18-19  
Exhibit 2 – Health Plan-Provider Rate Range IGT Agreement FY18-19