HEALTH PLAN-PROVIDER RATE RANGE IGT AGREEMENT FY18-19

This Agreement is made this 23rd day of July 2019, by and between Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan, a California public agency, hereinafter referred to as "PLAN," and the County of Ventura, as owner and operator of Ventura County Medical Center, hereinafter referred to as "HOSPITAL."

RECITALS

WHEREAS, PLAN is a party to a Medi-Cal managed care contract with the California Department of Health Care Services ("State DHCS"), entered into pursuant to Welfare and Institutions Code Section 14087.5, under which PLAN arranges and pays for the provision of Medi-Cal health care services to eligible Medi-Cal members residing in Ventura County;

WHEREAS, HOSPITAL operates a fully integrated, comprehensive system of hospital, clinic and specialty services providing healthcare to Ventura County residents, including PLAN members; and

WHEREAS, PLAN and HOSPITAL desire to enter into this Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from HOSPITAL to State DHCSto maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and HOSPITAL hereby agree as follows:

SECTION 1
IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES TO PLAN

1.1. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by HOSPITAL, specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds (Contract #118-95628) ("Intergovernmental Agreement") effective for the period of July 1, 2018 through June 30, 2019 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to HOSPITAL the amount of the IGT MMCRRIs received from State DHCS, in accordance with Section 1.5 below regarding the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT payments. LMMCRR IGT payments paid to HOSPITAL shall not replace or supplant any other amounts paid or payable to HOSPITAL by PLAN.

1.2. Health Plan Retention

(1) Medi-Cal Managed Care Seller's Tax

(a) The PLAN shall be responsible for any Medi-Cal Managed Care Seller's ("MMCS") tax due pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCRRIs through June 30, 2019. If the PLAN receives any capitation rate increases for MMCS taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MMCS tax that PLAN is required to pay to the State Board of Equalization, and shall pay, as part of the LMMCRR IGT payments, the remaining amount of the capitation rate increase to HOSPITAL.

(b) This Section does not apply to any service months on or after July 1, 2019.

(2) The PLAN shall not impose a fee or retention amount, or reduce other payments to HOSPITAL, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code Section 14301.5.

(3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

1.3. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT payments, HOSPITAL shall, as of the date the particular LMMCRR IGT payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room;

(3) maintain its current inpatient surgery suites and not close these facilities;

(4) maintain its hospital physician staff and related services.

1.4. Schedule and Notice of Transfer of Non-Federal Funds

(1) HOSPITAL shall provide PLAN with a copy of the schedule regarding the transfer of funds to State DHCS referred to in the Intergovernmental Agreement within fifteen (15) calendar days of establishing such schedule with State DHCS. Additionally, HOSPITAL shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule, including, but not limited to, changes to the amounts specified therein.

(2) HOSPITAL shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after funds have been transferred to State DHCS for use as the nonfederal share of any IGT MMCRRIs.

1.5. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT payments to HOSPITAL in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT payments to HOSPITAL using the same mechanism through which compensation and payments are normally paid to HOSPITAL (e.g., electronic transfer).

(2) PLAN will pay the LMMCRR IGT payments to HOSPITAL no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

1.6. Consideration

(1) As consideration for the LMMCRR IGT payments, HOSPITAL shall use the LMMCRR IGT payments for the following purposes and shall treat the LMMCRR IGT payments in the following manner:

(a) The LMMCRR IGT payments shall represent compensation for Medi-Cal services rendered to PLAN members by HOSPITAL during the State fiscal year to which the LMMCRR IGT payments apply. These funds compensate HOSPITAL for making available hospital physician staff, including, but not limited to, family medicine, internal medicine, pediatrics, specialists, hospitalists, anesthesiologists, radiologists, and emergency room physicians, to PLAN members. None of these payments are for the purpose of reimbursing HOSPITAL for hospital costs at Ventura County Medical Center or for costs at federally qualified health centers.

(b) To the extent that total payments received by HOSPITAL for any State fiscal year under this Agreement exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by HOSPITAL during that fiscal year, any remaining LMMCRR IGT payment amounts shall be retained by HOSPITAL to be expended for health care services. Retained LMMCRR IGT payment amounts may be used by the HOSPITAL in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of Subsection (1) (b) above, if the retained LMMCRR IGT payments, if any, are not used by HOSPITAL in the State fiscal year received, retention of funds by HOSPITAL will be established by demonstrating that the retained earnings account of HOSPITAL at the end of any State fiscal year in which it received payments based on LMMCRR IGT payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT payments received, but not used. These retained HOSPITAL funds may be commingled with other HOSPITAL funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from HOSPITAL or federal matching funds will be recycled back to HOSPITAL's general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

1.7. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding HOSPITAL's use of the LMMCRR IGT payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT payments were transferred to HOSPITAL, a written confirmation that states whether and how HOSPITAL complied with the provisions set forth in Section 1.6 above. In each instance, HOSPITAL shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

1.8. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT payments, HOSPITAL and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT payments to the full extent possible on behalf of the safety net in Ventura County as provided in Section 2 of this Agreement.

1.9. Reconciliation

Within one hundred twenty (120) calendar days after the end of the PLAN's fiscal years in which LMMCRR IGT payment was made to HOSPITAL, PLAN shall perform a reconciliation of the LMMCRR IGT payments transmitted to HOSPITAL during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. HOSPITAL agrees to return to PLAN any overpayment of LMMCRR IGT payments made in error to HOSPITAL within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless HOSPITAL submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in paragraph Section 2 of this Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Section 1.10 below. PLAN agrees to transmit to HOSPITAL any underpayment of LMMCRR IGT payments within thirty (30) calendar days of PLAN's identification of such underpayment.

1.10. Indemnification

HOSPITAL shall indemnify and hold harmless PLAN, its officers, directors, agents, and employees, from and against any and all loss, damage, liability, or expense (including without limitation, reasonable attorney's fees), of any kind arising by reason of the acts or omissions of HOSPITAL and its officers, directors, agents, subcontractors, and employees, acting alone or in collusion with others. HOSPITAL also agrees to hold harmless both the State and Plan members in the event that PLAN cannot or will not pay for services performed by HOSPITAL pursuant to this Agreement.

PLAN shall indemnify, defend and hold harmless HOSPITAL, its officers, directors, agents, and employees, from and against any and all loss, damage, liability, or expense (including without limitation, reasonable attorney's fees), of any kind arising by reason of the acts or omissions of PLAN and its officers, directors, shareholders, agents, employees and subcontractors acting alone or in collusion with others.

SECTION 2 - DISPUTE RESOLUTION

2.1 Dispute Resolution

For disputes unresolved by the PLAN provider appeals process, PLAN and HOSPITAL agree to meet and confer in good faith to resolve any disputes that may arise under or in connection with this Agreement. In all events and subject to the provisions of this Section which follow, PLAN and HOSPITAL shall be required to comply with the provisions of the Government Claims Act (Government Code Section 900, et. seq.) with respect to any dispute or controversy arising out of or in any way relating to this Agreement or the subject matter of this Agreement (whether sounding in contract or tort, and whether or not involving equitable or extraordinary relief) (a "Dispute").

2.2 Judicial Reference

The parties may mutually agree in writing (but shall not be obligated to agree) that a Dispute shall be heard and decided by a referee appointed pursuant to California Code of Civil Procedure Section 638 (or any successor provision thereto, if applicable), who shall hear and determine any and all of the issues in any such action or proceeding, whether of fact or law, and to report a statement of decision, subject to judicial review and enforcement as provided by California law, and in accordance with Chapter 6 (References and Trials by Referees), of Title 8 of Part 2 of the California Code of Civil Procedure, or any successor chapter. The referee shall be a retired judge of the California superior or appellate courts determined by agreement between the parties, provided that in the absence of such agreement either party may bring a motion pursuant to the said Section 638 for appointment of a referee

before the appropriate judge of the Ventura Superior Court. The parties acknowledge that they forego any right to trial by jury in any judicial reference proceeding. The parties agree that the only proper venue for the submission of claims to judicial reference shall be the courts of general jurisdiction of the State located in Ventura County. The parties reserve the right to contest the referee's decision and to appeal from any award or order of any court. The designated non-prevailing party in any Dispute shall be required to fully compensate the referee for his or her services hereunder at the referee's then respective prevailing rates of compensation. For the avoidance of doubt, neither party shall be obligated or required to submit the Dispute to judicial reference, arbitration or any other alternative dispute resolution procedure.

2.3 Limitations

Notwithstanding anything to the contrary contained in this Agreement, any suit, judicial reference or other legal proceeding must be initiated within one (1) year after the date the Dispute arose or such Dispute shall be deemed waived and forever barred; provided that, if a shorter time period is prescribed under the Government Claims Act (Government Code Section 900, et. seq.), then, the shorter time period (if any) prescribed under the Government Claims Act shall apply.

2.4 Venue

Unless otherwise specified in this Section, all actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Ventura, State of California.

SECTION 3 - TERM

The term of this Agreement shall commence on July 23, 2019 and shall terminate on December 31, 2021.

SIGNATURES

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan

_____ Date: _____

By: Title:

County of Ventura

_____ Date: _____

William T. Foley, Director, Ventura County Health Care Agency