

HEALTH PLAN-PROVIDER AGREEMENT

This Agreement is made by and between County Medi-Cal Managed Care Commission dba Gold Coast Health Plan, a California public agency, hereinafter referred to as “PLAN,” and County of Ventura, hereinafter sometimes referred to as “PROVIDER.”

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 14087.3, 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, PROVIDER operates a fully integrated, comprehensive system of hospital, clinic and specialty services providing health care to Ventura County residents, including PLAN members; and

WHEREAS, PLAN and PROVIDER desire to enter into this Agreement to provide for base rate and 75 percent rate range (“Rate Range”) increases to PROVIDER with respect to services for Medi-Cal Optional Expansion (“OE”) enrollees of PLAN as a result of Medi-Cal managed care capitation rate amounts to PLAN funded in part by intergovernmental transfers (“IGTs”), pursuant to Sections 14199.2 and 14301.5 of the Welfare and Institutions Code, from the County of Ventura to the State DHCS to help assure the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

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

OE MEDI-CAL MANAGED CARE BASE RATE AND RATE RANGE INCREASES

1. OE Base Rate and Rate Range Increases to PROVIDER

A. Payment

Pursuant to subdivision (e) of Section 14199.2 and subdivision (b) of Section 14301.5 of the Welfare and Institutions Code, should PLAN receive any OE Medi-Cal Managed Care Rate Payments (“OE MMCR Payments”) from State DHCS, the nonfederal share of which is funded in any part by the County of Ventura specifically pursuant to the Intergovernmental Agreement Regarding Transfer of Public Funds, #16-93927 (“Intergovernmental Agreement”) effective for the period of January 1, 2017 through June 30, 2019, all of the provisions below shall apply.

(1) PLAN shall pay to PROVIDER as “OE Base Rate” a maximum amount of eleven million three hundred ninety-five thousand nine hundred twenty-nine dollars (\$11,395,929) and as “Rate Range Increase Payments” a maximum amount of two hundred twenty-four thousand two hundred twenty dollars (\$224,220) for the period of January 1, 2017 through June 30, 2017, from the OE MMCR Payments received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of payments for services provided by PROVIDER to Medi-Cal beneficiaries. Notwithstanding the foregoing, payments to

PROVIDER and other providers by PLAN from OE MMCR Payments for the relevant period shall be adjusted as appropriate to ensure that all such OE MMCR Payments received by PLAN are distributed, and in no case shall exceed the total amount of OE MMCR Payments. PLAN payments shall be based on actual OE MMCR Payments included in PLAN's monthly capitation payment or a lump-sum payment received from DHCS. OE Base Rate and Rate Range Increase Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

PLAN will not retain any portion of the OE MMCR Payments received from the State DHCS.

C. Conditions for Receiving OE Base Rate and Rate Range Increase Payments

As a condition for receiving OE Base Rate and Rate Range Increase Payments, PROVIDER shall, as of the date the particular payment is due:

- (1) remain a provider of primary and specialty hospital and non-hospital services in PLAN, to provide capacity for meeting the complex conditions of OE Medical beneficiaries;
- (2) remain a participating provider in PLAN and not issue a notice of termination of this Agreement;
- (3) maintain its current emergency room licensure status and not close its emergency room;
- (4) maintain its current inpatient surgery suites and not close these facilities.

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

PROVIDER 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, PROVIDER 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.

E. Form and Timing of Payments

PLAN agrees to pay OE Base Rate and Rate Range Increase Payments to PROVIDER in the following form and according to the following schedule:

- (1) PLAN agrees to pay the OE Base Rate and Rate Range Increase Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).

(2) PLAN will pay the OE Base Rate and Rate Range Increase Payments to PROVIDER no later than thirty (30) calendar days after receipt of the OE MMCR Payments from State DHCS.

F. Consideration

(1) As consideration for the OE Base Rate and Rate Range Increase Payments, PROVIDER shall use the OE Base Rate and Rate Range Increase Payments for the following purposes and shall treat the OE Base Rate and Rate Range Increase Payments in the following manner:

(a) The OE Base Rate and Rate Range Increase Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the OE Base Rate and Rate Range Increase Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Agreement exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining OE Base Rate and Rate Range Increase Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained OE Base Rate and Rate Range Increase Payment amounts may be used by PROVIDER 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 OE Base Rate and Rate Range Increase Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on OE Base Rate and Rate Range Increase 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 OE Base Rate and Rate Range Increase Payments received, but not used. These retained PROVIDER funds may be commingled with other County of Ventura 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 the County of Ventura or federal matching funds, will be recycled back to the County of Ventura general fund, the State, or any other intermediary organization. Payments made by PLAN to PROVIDER under the terms of this Agreement constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the OE Base Rate and Rate Range Increase 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 OE Base Rate and Rate Range Increase Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the OE Base Rate and Rate Range Increase Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the OE Base Rate and Rate Range Increase Payments to the full extent possible on behalf of the safety net in Ventura County.

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which OE Base Rate and Rate Range Increase Payments were made to PROVIDER, PLAN shall perform a reconciliation of the OE Base Rate and Rate Range Increase Payments transmitted to PROVIDER during the preceding fiscal year to ensure that the supporting amount of OE MMCR Payments were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of OE Base Rate and Rate Range Increase Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in section 13.1.8 of the Hospital Services Agreement between PROVIDER and PLAN effective July 1, 2011 ("Hospital Services Agreement"). The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in section 13.1.10 of the Hospital Services Agreement. PLAN agrees to transmit to PROVIDER any underpayment of OE Base Rate and Rate Range Increase Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

2. Term

The term of this Agreement shall commence on January 1, 2017 and shall terminate on June 30, 2019.

SIGNATURES

HEALTH PLAN: _____ Date: _____

By: Name/Title: _____

PROVIDER: _____ Date: _____

By: Name/Title: _____