

October 20, 2015

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93003

**Subject:**

**Approval of and Authorization for the Health Care Agency Director or Designee to Sign an Intergovernmental Agreement Regarding Transfer of Public Funds Between the Department of Health Care Services (DHCS), and County of Ventura, Including any Non-Material Change Approved by County Counsel; Approval of and Authorization for the Health Care Agency Director or Designee to Sign an Intergovernmental Transfer Assessment Fee Agreement Between County of Ventura and DHCS, Including any Non-Material Change Approved by County Counsel; Approval of and Authorization for the Health Care Agency Director or Designee to Sign the Amendment to the Health Plan/Provider Agreement Between County of Ventura and the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan, Including any Non-Material Change Approved by County Counsel; Authorization for the Health Care Agency Director or Designee to Submit Answers to the Intergovernmental Transfer Funding Questions to DHCS.**

**Recommendations:**

1. That your Board approves and authorizes the Health Care Agency Director or designee to sign an Intergovernmental Agreement Regarding Transfer of Public Funds (Exhibit 1) between DHCS and the County of Ventura, including any non-material change approved by County Counsel.
2. That your Board approves and authorizes the Health Care Agency Director or designee to sign an Intergovernmental Transfer Assessment Fee Agreement (Exhibit 2) between the County of Ventura and DHCS, including any non-material change approved by County Counsel.
3. That your Board approves and authorizes the Health Care Agency Director or

designee to sign the Amendment to the Health Plan/Provider Agreement (Exhibit 3) between the County of Ventura and the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan (GCHP), including any non-material change approved by County Counsel.

4. Authorization for the Health Care Agency Director or designee to submit answers to the Intergovernmental Transfer Funding Questions (Exhibit 4) to DHCS.

**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 these agreements:

	<u>FY 2015-16</u>	<u>FY 2016 -17</u>
REVENUE:	\$9,581,896	\$ 0
DIRECT COSTS:	\$5,714,405	\$ 0
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$3,867,493	\$0

**CURRENT FISCAL YEAR (PROJECTED) BUDGET**

Current FY 2015-16 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated (Savings/Deficit)
Expenditures	\$419,743,006	\$419,743,006	\$419,743,006	\$ -0-
Revenue	\$428,561,333	\$428,561,333	\$428,561,333	\$ -0-
Operational Income/(Loss)	\$8,818,327	\$8,818,327	\$8,818,327	\$ -0-

Sufficient revenue and appropriations are available in the Adopted Budget  
The operational income includes "Operating Transfers In" that is primarily attributed to County contributions.

**Discussion:**

This is the fourth consecutive year the County of Ventura has participated in the intergovernmental transfer program. With your Board's approval of this letter, and upon execution of the proposed agreements by all parties, the County of Ventura, as owner and operator of Ventura County Medical Center (VCMC), shall send funds to the State of California which will be applied by the State as matching funds to access additional federal dollars, to which it is entitled, related to services provided by the VCMC medical system to Gold Coast Health Plan enrollees.

The Medi-Cal program operates as a 50/50 match of funds in which State or local expenditures make up 50% of the program and the federal government provides a 50% match. In this case, the County is transferring through these agreements 50% of the rate

increase for Gold Coast Health Plan, which rates are based upon actuarially sound analysis of services, costs and reimbursement. Funds provided by the County of Ventura will be returned in full by the State via the Ventura County Medi-Cal Managed Care Commission, operator of Gold Coast Health Plan, along with the federal match less fees assessed by the State and the Ventura County Medi-Cal Managed Care Commission.

On September 8, 2015, DHCS sent a letter outlining the interim Intergovernmental Transfer (IGT) amount for the program period July 1, 2014 – June 30, 2015. This is approximately 50% of the estimated annual amount. In the past, the request for the IGT has been received from DHCS in May for the full year. However, with this interim request, we are expecting to receive half of the annual amount this fall or early winter. A team including your Board Supervisor, the Ventura County CEO, the Ventura County Health Care Agency Director, and the Ventura County Health Care Agency Interim CFO met with the DHCS regarding the impact of the decrease in FY 2013-14. This interim payment is an effort to provide assistance due to the drop of the FY 2013-14 and it will be reconciled as we process the annual rate range IGT in May 2016.

The first part of the process involves the drafting of the IGT agreements and responses to the IGT Funding Questions. These documents are required by the Centers for Medicare and Medicaid Services (CMS) for all IGTs. Upon approval by your Board, signed copies of the agreements 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 agreements, including any non-material changes that may be required by CMS, subject to approval by County Counsel.

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

This proposed agreement (Exhibit 1) 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 Gold Coast Health Plan arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in Ventura County. The County of Ventura shall transfer funds to DHCS pursuant to section 14164 of the Welfare and Institutions Code up to a maximum amount of \$4,602,306, 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 Gold Coast Health Plan for the period July 1, 2014 through June 30, 2015.

The funds shall be transferred from the County of Ventura to DHCS. The County of Ventura shall certify that the funds transferred qualify for federal participation.

### ***Intergovernmental Transfer Assessment Fee Agreement***

This proposed agreement (Exhibit 2) is between DHCS and the County of Ventura. DHCS shall, upon acceptance of the nonfederal share IGT pursuant to the Intergovernmental Agreement Regarding Transfer of Public Funds, exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20-percent assessment fee \$920,461 on the amount of the nonfederal share IGT to reimburse State DHCS for the administrative costs of operating the IGT program and for the support of the Medi-Cal program.



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

This proposed amendment (Exhibit 3) would amend the Health Plan-Provider Agreement between the Ventura County Medi-Cal Managed Care Commission and the County of Ventura. 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 of Ventura through the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, effective July 1, 2014 through June 30, 2015, the Ventura County Medi-Cal Managed Care Commission shall pay to the County of Ventura the amount the Ventura County Medi-Cal Managed Care Commission receives from DHCS less an administrative fee not to exceed \$191,638.

### ***Fiscal Summary***

The total funding required to execute all three agreements is \$5,714,405. Upon repayment of these funds and the payment of State and Ventura County Medi-Cal Managed Care Commission fees, the County will receive a net revenue increase of \$3,867,493.

The agreements and responses to the IGT Funding Questions are due to DHCS at the close of business on October 27, 2015.

This letter has been reviewed by the County Executive Office, County Counsel and the Auditor-Controller's Office. If you have any questions regarding this item, please call Catherine Rodriguez, Interim Health Care Agency Chief Financial Officer, at (805) 677-5140.

  
Catherine Rodriguez  
Interim Chief Financial Officer

  
Barry R. Fisher  
Health Care Agency Director

#### **Attachments:**

- Exhibit 1 – Intergovernmental Agreement Regarding Transfer of Public Funds FY14-15
- Exhibit 2 – Intergovernmental Transfer Assessment Fee Agreement FY14-15
- Exhibit 3 – Health Plan Provider Agreement FY14-15
- Exhibit 4 - IGT Funding Questions County of Ventura FY14-15