

## IGT Funding Questions

1. E(a) Does the Health Plan retain any portion of the IGT-funded capitation rate increase from the State or will the entire amount of the rate increase be provided to the Hospital/Provider?

**Answer:** Gold Coast Health Plan (PLAN) intends to retain the following and distribute as follows:

- The PLAN will retain funds for the Medi-Cal Managed Care Seller's Tax pursuant to Revenue and Taxation Code section 6175 relating to the IGT-funded capitation rate increases.
- The PLAN will retain a PLAN Administrative Fee, which is 2% of the IGT-funded capitation rate increase, approximately \$191,638.

(b) Does the Hospital/Provider retain all of the Medicaid capitation payment from the Health Plan to pay for Medi-Cal services to Medi-Cal enrollees and/or to retain in the form of health plan reserves? Please fully describe how Hospital/Provider will use the IGT-funded rate increase.

**Answer:** The County of Ventura (PROVIDER) currently contracts with the PLAN to provide health care services to Medi-Cal beneficiaries. Payment for services delivered to Medi-Cal beneficiaries is currently provided by PLAN to PROVIDER via fee-for-service reimbursement and capitation payment.

The PROVIDER, the receiving entity, retains all Medicaid payments from the PLAN, including the IGT-funded Medicaid increases, as compensation for Medi-Cal services to Medi-Cal enrollees, to be expended for health care services. The IGT-funded rate increases will be applied towards compensation for hospital physician services provided to Medi-Cal patients.

PROVIDER has previously loaned funds to PLAN to assist PLAN in meeting state TNE requirements, and may loan PLAN additional funds for this purpose. No amount of the IGT-funded rate increases will be applied to the outstanding balance of these loan(s).

2. (a) If the Health Plan is required to or intends to return any portion of any Medi-Cal capitation payment to the State, local, governmental entity, or any other intermediary organization, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State/local/governmental/other intermediary organization.

**Answer:** As noted above, the PLAN will pay the MMCS related tax to the State of California as a tax pursuant to California Revenue and Tax Code §6175.

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The IGT-funded capitation rate increases, net MMCS taxes paid by the PLAN and PLAN Administrative Fee, will be paid to the PROVIDER to cover benefits provided to Medi-Cal beneficiaries in Ventura County. Full payment to the PROVIDER will be made no later than thirty (30) calendar days after receipt of the IGT-funded capitation rate increases from State DHCS.

(b) If Hospital/Provider is required to or intends to return any portion of any Medi-Cal capitation payment from the Health Plan to the State, local, governmental entity, or any other intermediary organization, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State/local/governmental/other intermediary organization (e.g., County general fund, County DHS budget, etc.).

**Answer:** PROVIDER will not return any portion of the Medi-Cal payment received from PLAN to the State, local governmental entity, or any other intermediary organization.

Per Welfare and Institutions Code Section 14301.4(d)(1), the PROVIDER is required to make a separate 20% IGT payment to the State.

3. Please describe how the increased funding from this proposed IGT is estimated to impact the Hospital/Provider's TNE and the amount that will be returned back to the Funding Entity as a result of excess TNE.

**Answer:** The PROVIDER will expend the entire amount of the IGT payments on the provision of health services.

4. Please explain how the Medi-Cal Managed Care Seller's (MMCS) Tax is impacted by this IGT. Is the MMCS tax assessed on the IGT rate increases going to the Health Plan?

**Answer:** As mentioned previously, the PLAN is responsible for any Medi-Cal Managed Care Seller's (MMCS) tax due pursuant to the Revenue and Taxation Code Section 6175 relating to the IGT-funded capitation rate increases. Any capitation rate increases received based on the MMCS tax attributable to the IGT-funded capitation rate increases will be retained by the PLAN in an amount equal to the amount of such MMCS tax that the PLAN is required to pay to the State.

5. Please provide an estimate of total expenditures and State share amounts for the Medicaid capitation payments to the health plans. For the portion of the capitation payment to the health plans that is to be funded by the IGT, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local governmental entity transferring the funds. **(DHCS)**

## IGT Funding Questions

For any payment that is to be funded by the IGT, please provide the following  
**(County or Funding Entity):**

- (i) a complete list of the names of entities transferring funds;

**Answer:** County of Ventura

- (ii) the operational nature of the entity (state, county, city, other);

**Answer:** County

- (iii) the total amounts transferred by each entity and the source of these funds.  
(These funds must not be derived from impermissible sources such as recycled Medicaid payments, Federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations);

**Answer:** The approximate amount of \$4,602,306 will be transferred from the County for the IGT-funded capitation rate increases using federally permissible County funds, such as general funds, tobacco funds or realignment funds.

- (iv) clarify whether the transferring entity has general taxing authority: and,

**Answer:** Yes, the transferring entity has general taxing authority.

- (v) whether the transferring entity received appropriations (identify level of appropriations).

**Answer:** The source of the IGT will be federally permissible County funds, such as general funds, tobacco funds or realignment funds.

## IGT Funding Questions

### Instructions:

- 1 (a) Summarize Provider Agreement, Section B (Health Plan Retention).
- 1 (b) Provide a short explanation of how the Hospital/Provider will use the IGT funded rate increases on Medi-Cal services to Medi-Cal enrollees in compliance with Provider Agreement, Section F(1) (Considerations).
- 2 (a) Provide information on any portion of the IGT funded rate that will be returned by the Health Plan to the State, local, governmental entity or any other intermediary organization. The payment of the Medi-Cal Managed Care Seller's (MMCS) taxes should be included under this item.
- 2 (b) Provide information on any portion of the IGT funded rate that will be returned by the Hospital/Provider to the State, local, governmental entity or any other intermediary organization.
- 3 Provide a short explanation on how the Hospital/Provider accounts for the IGT funded rate increases and the effect of the increases on its TNE. This should be in accordance with Provider Agreement, Sections F(2) and F(3).
- 4 Provide a short explanation on how the increased capitation rates will affect the amounts owed for the MMCS taxes.
5. *First paragraph – DHCS will complete the requested information identified in the first paragraph of Question #5.*

The funding entity should complete items (i) through (v) of Question #5.

- 5(i) Name of Funding Entity(s)
- 5(ii) Nature of the Funding Entity. The normal answers are County, City, University of California and/or health care district.
- 5(iii) Amount of Transfer and source of funds. A statement regarding not being derived from impermissible sources should be included. These sources are listed in the IGT Agreement, Section 2.5.
- 5(iv) Taxing Authority (Yes/No)
- 5(v) Specify the level of appropriations received.

These funding questions will provide the Centers for Medicare and Medicaid Services (CMS) with information regarding how the IGT will be accounted for and expended. It also provides information on the type of entity providing the funds. Based on your response to these questions, CMS may ask for additional clarification.