

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

February 27, 2024

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Amendments to Provider Contracts with Inland Empire Health Plan and Molina Healthcare of California, Inc for Intergovernmental Transfers

**RECOMMENDATION(S)**

1. Approve the following Amendments, including non-standard terms, to allow Arrowhead Regional Medical Center to receive supplemental payments for Medi-Cal managed care capitation rate range increases during the State-established claim period of January 1, 2022 through December 31, 2022:
  - a. **Amendment No. 3 to Agreement No. 19-837** with Molina HealthCare of California, Inc.
  - b. **Amendment No. 10 to Agreement No. 20-887** with Inland Empire Health Plan
2. Direct the Clerk of the Board of Supervisors to maintain confidentiality of the Amendments pursuant to Health and Safety Code Section 1457(c)(1).  
(Presenter: William L. Gilbert, Director, 580-6150)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Under the terms of the proposed Amendments, Arrowhead Regional Medical Center (ARMC) will be eligible to receive supplemental payments as the result of Medi-Cal managed care capitation rate range increases paid to Molina Healthcare of California, Inc. (Molina) and Inland Empire Health Plan (IEHP) as managed care providers for the claim period of January 1, 2022 through December 31, 2022.

The non-federal share for intergovernmental transfers (IGTs) will be remitted from the Health Administration budget unit. Once the funds are received by ARMC from Molina and IEHP, ARMC will transfer funds equal to the amount remitted into the Health Administration budget unit. Adequate appropriation and revenue have been included in the ARMC and Health Administration 2023-24 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

These Amendments to Agreement Nos. 19-837 and 20-887 (Agreements) will allow ARMC to continue participation in the IGT program and receive funding for Medi-Cal managed care patients enrolled with IEHP and Molina, including Medi-Cal managed care capitation rate

**Amendments to Provider Contracts with Inland Empire Health Plan and Molina Healthcare of California, Inc for Intergovernmental Transfers  
February 27, 2024**

payments. Due to the time necessary for negotiations with representatives from California public hospitals regarding IGTs and increases in payments, the California Department of Health Care Services (State) submits IGT agreements in arrears. The State adjusts the reimbursement rate to the renegotiated rate for patients seen within the designated claim period of the amended Agreements.

IEHP and Molina are Healthcare Maintenance Organizations (HMO) providing services to residents of Riverside and San Bernardino counties eligible for the benefits of the Managed Care Medi-Cal program. ARMC contracts with IEHP and Molina to provide healthcare services to their members to address the safety, health and social service needs of County residents. ARMC is reimbursed for eligible Medi-Cal and Medicare patient charges through their respective managed care agreements.

ARMC participates in the IGT program through the State for payments related to Medi-Cal beneficiaries in order to receive federal matching funds; allowing ARMC to operate in a fiscally responsible and business-like manner. To participate in the program, the State requires that 1) an intergovernmental agreement regarding the transfer of public funds is in place with the County for each HMO providing contracted managed care services, and 2) the agreements between the County and each HMO identify the conditions of participation in the intergovernmental program.

The Amendments with the health plans set forth the terms and conditions under which the plans are to provide Medi-Cal managed care capitation rate increases to ARMC. The Amendments are based on templates previously provided by the State to utilize for such transactions, and contain the following non-standard contract term:

1. The County is required to indemnify the health plans from any claims that occur due to any miscalculation by the State relating to the amounts payable to the County and any obligation to refund or reimburse the State for any payments for any reason under the program.
  - The County's standard contract does not require the County to indemnify vendors for any reasons.
  - Potential Impact: By agreeing to indemnify the health plans, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited, or expense limited could be brought against the health plans without such limitations and the County would be responsible to defend and reimburse the plans for costs, expenses, and damages, which could exceed the total contract amount.

On December 17, 2019 (Item No. 5), the Board of Supervisors (Board) approved Agreement No. 19-837 with Molina to provide reimbursement for medical services rendered by ARMC to Molina members, effective December 17, 2019 through December 16, 2024.

On October 6, 2020 (Item No. 12), the Board approved Amendment No. 1 with Molina to allow ARMC to receive supplemental payments for Medi-Cal managed care capitation rate range increases during the State established claim period of July 1, 2019 through June 30, 2020, and July 1, 2020 through December 31, 2020.

On December 7, 2021 (Item No. 9), the Board approved Amendment No. 2 with Molina to allow ARMC to receive supplemental payments for Medi-Cal managed care capitation rate range

**Amendments to Provider Contracts with Inland Empire Health Plan and Molina Healthcare of California, Inc for Intergovernmental Transfers  
February 27, 2024**

increases during the State-established claim period of January 1, 2021 through December 31, 2021.

On September 15, 2020 (Item No. 15), the Board approved Agreement No. 20-887 with IEHP to provide reimbursement for medical services rendered by ARMC to IEHP members, for the period of October 1, 2020 through September 30, 2023. The Board has since approved nine amendments to Agreement No. 20-887 to allow ARMC to receive supplemental payments for Medi-Cal managed care capitation rate range increases during State-established claim periods, update program eligibility, amend compensation and reimbursement rates, and extend the term of the Agreement.

Amendment No.	Board Date	Item No.
1	September 29, 2020	15
2	December 15, 2020	9
3	May 18, 2021	10
4	August 10, 2021	7
5	October 26, 2021	12
6	December 7, 2021	9
7	March 15, 2022	11
8	February 7, 2023	9
9	March 28, 2023	13

Pursuant to Health and Safety Code Section 1457(c)(1) specific terms related to the rates of payment for health care services are not immediately subject to laws related to public records; therefore, the Clerk of the Board is directed to maintain confidentiality of these Amendments.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on January 10, 2024; Finance (Chen Wu, Finance and Budget Officer, 580-3165) on February 2, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on February 5, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on February 6, 2024.

**Amendments to Provider Contracts with Inland Empire Health Plan and  
Molina Healthcare of California, Inc for Intergovernmental Transfers  
February 27, 2024**

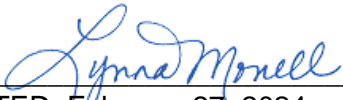
Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Curt Hagman Seconded: Joe Baca, Jr.

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: February 27, 2024



cc: ARMC - Gilbert w/agrees  
Contractor - c/o ARMC w/agree  
File - w/agree (BAI only)  
File - Confidential files w/agree  
CCM 02/28/2024