

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

February 9, 2021

FROM

LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT

Approve Restatement No. 1 to Inland Empire Health Plan Joint Powers Agreement to Allow Provision of Services to Non-Medi-Cal Healthcare Systems

RECOMMENDATION(S)

Approve Restatement No. 1 to Inland Empire Health Plan Joint Powers **Agreement 21-141**, between San Bernardino County and County of Riverside, which will result in an Amended and Restated Joint Powers Agreement, to allow Inland Empire Health Plan to provide services to non-Medi-Cal healthcare systems.

(Presenter: Leonard X. Hernandez, Chief Executive Officer, 387-5417)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost).

BACKGROUND INFORMATION

In 1994, the Board of Supervisors for the Counties of San Bernardino and Riverside (Counties) established the Inland Empire Health Plan (IEHP), a joint powers authority, to provide the health plan administration for the members enrolled in the Medi-Cal managed care plan as legislated by the State. In 2003, the California Legislature amended the California Welfare and Institutions Code to authorize the Department of Health Care Services (DHCS) to impose a quality improvement fee (QIF) on capitation payments (fixed payments for a certain amount of time) to Medi-Cal managed care plans. Some managed care plans created separate affiliate entities, often referred to as QIF Plans, to protect certain managed care contracts, including non-Medi-Cal managed care contracts, from being included in the calculation of the QIF. The Counties approved a sixth amendment to IEHP's JPA agreement, and IEHP Health Access was created by the Counties on May 3, 2005 (Item No. 76) to service the non Medi-Cal membership of IEHP. The Governing Board of IEHP also serves as the Governing Board for IEHP Health Access.

IEHP Health Access, as a separate affiliate entity of IEHP, was still required to obtain a Knox-Keene Act license. The Knox-Keene Act license is administered under the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code section 1340 et seq.), the set of statutes passed by the State Legislature to regulate health care service plans. On October 1, 2009, the California Legislature eliminated DHCS' authority to impose the QIF on Medi-Cal

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plans, which was the reason that IEHP Health Access was formed. Throughout this time, IEHP Health Access, although a separate affiliated entity of IEHP, was historically treated by DHCS as indistinct from IEHP with such matters as filings with DHCS, assessments, grievance tracking, and DHCS surveys or examinations. On May 9, 2019, DHCS issued an All Plan Letter (APL 19-011) which notified health care service plans about changes to the treatment of QIF Plans, and steps an affiliated QIF plan like Health Access, should take to maintain compliance with the Knox-Keene Health Care Service Plan Act of 1975. With the issuance of APL 19-011 and the elimination of DHCS' authority to impose QIF, it was determined that maintaining separate compliance between IEHP and Health Access would be burdensome and result in a duplication of efforts. As a result of these events, IEHP and Health Access propose consolidating, IEHP will modify its Knox-Keene Act license to include the non-Medi-Cal lines of business, and Health Access will eventually surrender its own Knox-Keene Act license once IEHP has completed modifications of its license.

There has been a total of eight amendments to the JPA Agreement. Approval of Restatement No. 1 to the IEHP JPA agreement would result in an amendment and restatement of the original agreement in its entirety, together with all amendments and would modify the JPA Agreement's purpose to once again allow it to provide to non-Medi-Cal healthcare systems which had been transferred to Health Access under Amendment No. 6 of the IEHP JPA agreement approved by the Counties on May 3, 2005 (Item No. 76). Modification of the IEHP JPA is necessary so that IEHP is a duly authorized entity by the JPA member counties and is not deemed to be operating outside of its granted powers. It is anticipated that Riverside County will present this Restatement to their Board of Supervisors at a meeting in February 2021.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Michelle Blakemore, County Counsel, 387-3267) on February 3, 2021; Finance (Stephenie Shea, Administrative Analyst, 387-4919) on February 3, 2021; and Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on February 3, 2021.

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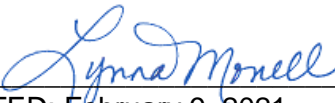
Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Janice Rutherford

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 9, 2021



cc: CAO-Shea w/ agrees for sign
Contractor c/o CAO
File - JPA/Inland Empire Health Plan
File - Agreement 21-141 (BAI Only)
JLL 02/22/2021