



# San Bernardino County

## Legislation Text

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**File #: 755, Agenda Item #: 6**

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

**August 6, 2019**

#### **FROM**

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

#### **SUBJECT**

**Agreement with California Department of Health Care Services and Amendments to Provider Contracts**

#### **RECOMMENDATION(S)**

1. Approve Agreement with California Department of Health Care Services to allow Arrowhead Regional Medical Center to receive supplemental payments for Medi-Cal managed care capitation rate increases, and for the provision of an intergovernmental transfer assessment fee to the California Department of Health Care Services for administration of the intergovernmental transfer program during the State-established claim period of July 1, 2018, through June 30, 2019, as the result of the intergovernmental transfer program for Medi-Cal managed care patients enrolled with Molina HealthCare of California Partner Plan, Inc. and Inland Empire Health Plan; and direct the Clerk of the Board to maintain confidentiality of the Agreements pursuant to Health and Safety Code Section 1457 (c)(1):
    - a. State Contract No. 18-95678, effective July 1, 2018 through December 31, 2021.
  2. Approve the following Amendments 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 July 1, 2018, through June 30, 2019; and direct the Clerk of the Board to maintain confidentiality of the Amendments pursuant to Health and Safety Code Section 1457 (c)(1):
    - a. Amendment No. 15 to Agreement No. 13-160 with Molina HealthCare of California Partner Plan, Inc.
    - b. Amendment No. 29 to Agreement No. 08-64 with Inland Empire Health Plan.
- (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.**

#### **FINANCIAL IMPACT**

Approval of the agreement and the amendments will not result in the use of Discretionary General Funding (Net County Cost). Under the terms of the proposed agreement and 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 Partner Plan, Inc. (Molina) and Inland Empire Health Plan (IEHP) as managed care providers for the claiming period of July 1, 2018 through June 30, 2019.

The non-federal share for intergovernmental transfers (IGTs) will be advanced from the Health Administration budget unit. Payments received from Molina and IEHP are reflected as a matching contribution to the state, with a return of the initial investment to the Health Administration budget unit and the matching contribution to the ARMC budget unit. Sufficient appropriation and revenue is included in the ARMC and Health Administration 2019-20 budget and will be included in future recommended budgets.

### **BACKGROUND INFORMATION**

The agreement and amendments will allow ARMC to continue to participate 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 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 with IEHP and Molina. The agreements with the State are effective July 1, 2018 through December 31, 2021, which allows the State the time necessary to process all claims for patients seen through the claim period of July 1, 2018 through June 30, 2019.

IEHP and Molina are public initiative 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 in order 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 agreements with the State allow ARMC to receive the supplemental payments resulting from Medi-Cal managed care capitation rate increases for Medi-Cal managed care patients enrolled with each HMO. These individual agreements define the conditions for the transfer and receipt of funds through the State's IGT program. This allows ARMC to pursue County goals and objectives by working with other governmental agencies.

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 (Michael Markel, Principal Assistant County Counsel, 387-5455) on July 8, 2019; Finance (Amanda Trussell, Administrative Analyst, 387-4773) on July 23, 2019; and County Finance and Administration (Katrina Turturro, Deputy Executive Officer, 387-5423) on July 23, 2019.