



San Bernardino County

Legislation Text

File #: 2885, Agenda Item #: 15

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

September 15, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Existing Agreement and Establish a New Agreement with Inland Empire Health Plan and Health Access

RECOMMENDATION(S)

1. Approve Amendment No. 32 to Agreement No. 08-64 with Inland Empire Health Plan and Health Access to discontinue the Shared Savings Program from the contract as of January 1, 2020, and extend the expiration date by one day, from September 29, 2020 through September 30, 2020, to ensure continued reimbursement by Inland Empire Health Plan and Health Access for certain Medi-Cal and Medicare member patients provided at Arrowhead Regional Medical Center.
2. Approve new Agreement with Inland Empire Health Plan and Health Access to provide reimbursement from Inland Empire Health Plan and Health Access for medical services provided to certain Medi-Cal and Medicare member patients at Arrowhead Regional Medical Center, effective October 1, 2020 through September 30, 2023.
3. Direct the Clerk of the Board to maintain confidentiality of the Amendment and Agreement 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.

FINANCIAL IMPACT

Approval of this item with Inland Empire Health Plan and Health Access (collectively referred to as "IEHP") will not result in the use of Discretionary General Funding (Net County Cost). Expenditures for these services are funded through reimbursements by IEHP. Arrowhead Regional Medical Center (ARMC) submits claims to IEHP for payment and is reimbursed in accordance with the terms of the agreement between the parties. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Sufficient appropriation and revenue has been included in the ARMC 2020-21 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Arrowhead Regional Medical Center (ARMC) has been a designated hospital provider within IEHP's network

for its Medi-Cal and Medicare members since as early as January 29, 2008 (Item No. 66), when the Board of Supervisors (Board) approved Agreement No. 08-64 with IEHP for the provision of healthcare services to eligible IEHP members. Since that date, the parties have entered into thirty-one (31) amendments with a current term expiring on September 30, 2020.

The thirty-second amendment seeks to extend the existing Agreement by one day because the current Agreement is valid *until* September 30, 2020, and IEHP requires its new contracts to begin on the first day of the month. As such, without the proposed amendment, there would be a one-day gap of coverage. The thirty-second amendment also clarifies that the Shared Savings Program in the Agreement was terminated as of January 1, 2020, as this revenue stream is no longer being funded. Shared Savings was an incentive program to find ways to reduce spending on enrollees. ARMC was one of five (5) organizations participating in this program and IEHP found that it was not beneficial to any of the participants and very resource intensive for IEHP.

Through the new Agreement with IEHP, the parties will enter into an Agreement based on newly negotiated payment rates and terms. Approval of the recommended Agreement will provide for the safety, health and social services needs of County residents by allowing ARMC to provide and be reimbursed for all patient care received by IEHP members at ARMC. This will ensure proper reimbursement to the County for medical services provided at ARMC to certain IEHP Medi-Cal and Medicare participants. IEHP is a public initiative Healthcare Maintenance Organization (HMO) providing services to residents eligible for benefits of the Managed Care Medi-Cal and Medicare.

ARMC recommends approval of this Agreement to ensure reimbursement for eligible Medi-Cal and Medicare patient charges through IEHP. This Agreement supports fiscally-responsible and business-like operations by providing ARMC with reimbursement by IEHP at updated rates.

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 the Amendment and the new Agreement.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on August 14, 2020; ARMC Finance (Chen Wu, Budget and Finance Officer, 909-580-3165) on August 17, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on August 24, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on August 31, 2020.