



# COUNTY OF HUMBOLDT

For the meeting of: 12/7/2021

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File #: 21-1678

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**To:** Board of Supervisors  
**From:** DHHS: Administration  
**Agenda Section:** Consent

**SUBJECT:**

Intergovernmental Agreement with the California Department of Health Care Services

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Waive the requirements of the Humboldt County Nuclear-Free Ordinance with regard to the attached intergovernmental agreement with the California Department of Health Care Services;
2. Approve, and authorize the Department of Health and Human Services Director, or a designee thereof, to execute the attached intergovernmental agreement with the California Department of Health Care Services regarding the transfer of public funds;
3. Authorize the Department of Health and Human Services, or a designee thereof, to execute any subsequent amendments to, and other documents regarding, the attached intergovernmental agreement, after review and approval by County Counsel, Risk Management and the County Administrative Office;
4. Authorize the Department of Health and Human Services to transfer up to \$3,103,162 to the California Department of Health Care Services in the third or fourth quarter of calendar year 2022, as directed by the California Department of Health Care Services.

**SOURCE OF FUNDING:**

Federal and State Medi-Cal  
County Health Realignment Funds

**DISCUSSION:**

As part of the fiscal year (FY) 2012-13 state budget, the State of California authorized expansion of Medi-Cal managed care into counties that had previously provided Medi-Cal benefits on a fee-for-service basis only. On May 14, 2013, the Humboldt County Board of Supervisors adopted Ordinance 2501 authorizing the County of Humboldt to join the Partnership HealthPlan of California (PHC), a regional County Organized Health System model of Medi-Cal managed care. PHC began administering Medi-Cal managed care in Humboldt County on September 1, 2013.

California Welfare and Institutions Code, sections 14164 and 14301.4 provides for a voluntary Intergovernmental Transfer (IGT) program. California counties participating in Medi-Cal managed

care, including the County of Humboldt as a member of PHC, qualify for additional federal Medicaid funds for health services if they enter into IGT agreements with the California Department of Health Care Services (DHCS).

The Humboldt County Department of Health and Human Services (DHHS) is eligible to participate in an IGT that draws down additional federal funds for the provision of Medi-Cal services in Humboldt County. The State of California and DHHS have existing contracts with PHC for calendar year 2021 which makes DHHS eligible for IGT funds for calendar year 2021. DHHS has participated in the IGT program for each of the previous seven fiscal years.

Pursuant to the terms and conditions of the attached intergovernmental agreement with DHCS, DHHS will be required to transfer up to \$3,103,162 in local funds, which includes \$2,585,968 in Humboldt County IGT funds and a 20% state administrative fee of \$517,194.00, to DHCS in the third or fourth quarter of calendar year 2022, as directed by DHCS. The required transfers will be funded with realignment revenues received by DHHS.

Upon receipt of the transferred funds, the State of California will increase PHC rate payments for calendar year 2021. The new payments will be made up of local transferred funds and new federal funds. After the above-referenced state administrative fees are deducted, PHC will receive the funds. PHC will deduct a 3% administrative fee and will distribute the remaining funds, which are estimated to total approximately \$5,016,788 to DHHS, as their contracted medical provider, for calendar year 2021. The transfer process will result in approximately \$1,913,616 in new funds to provide additional health services to Medi-Cal beneficiaries residing in Humboldt County.

**FINANCIAL IMPACT:**

As noted above, the attached intergovernmental agreement with DHCS will require DHHS to transfer up to a total of \$3,103,162 in local realignment funds to DHCS in the third and fourth quarter of calendar year 2022. The transfer of funds will be included in the proposed budget FY 2022-23 for DHHS - Social Services, budget unit 1160-511.

Upon the receipt of the returned funds from the State of California to PHC, PHC will issue payment to DHHS. It is anticipated that PHC will issue a payment in the amount of \$5,016,788. The payment from PHC will offset the initial transfer of \$3,103,162 and the remaining \$1,913,616 will be new revenue for the County of Humboldt. Approval of the attached intergovernmental agreement with DHCS will not impact the Humboldt County General Fund.

**STRATEGIC FRAMEWORK:**

The recommended actions support the Board of Supervisors' Strategic Framework by protecting vulnerable populations, creating opportunities for improved safety and health and providing community-appropriate levels of services.

**OTHER AGENCY INVOLVEMENT:**

Partnership HealthPlan of California  
Federal Centers for Medicare and Medicaid Services

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The board could choose not to approve the attached intergovernmental agreement with DHCS regarding the transfer of public funds. However, this alternative is not recommended since it will not allow DHHS to receive additional federal funds for health programs and services associated with the Medi-Cal managed care health plan.

ATTACHMENTS:

1. Intergovernmental Agreement with the California Department of Health Care Services Regarding the Transfer of Public Funds

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-8; C-12; C-11; C-13

Meeting of: 05/14/13; 6/19/18; 7/23/19; 9/29/20

File No.: N/A; 18-585; 19-1019; 20-1196; 21-1678