



# COUNTY OF HUMBOLDT

## Legislation Text

---

**File #:** 19-1019, **Version:** 1

---

**To:** Board of Supervisors

**From:** DHHS: Administration

**Agenda Section:** Consent

**SUBJECT:**

Approval of Intergovernmental Transfer between Humboldt County Department of Health and Human Services and California Department of Health Care Services

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve the attached Intergovernmental Transfer agreement between the Humboldt County Department of Health and Human Services and the California Department of Health Care Services;
2. Authorize the Director of the Department of Health and Human Services to sign and execute the attached Intergovernmental Transfer agreement;
3. Authorize the Department of Health and Human Services to transfer \$2,033,290 (including a 20% California Department of Health Care Services administrative fee) to the California Department of Health Care Services; and
4. Authorize the Director of the Department of Health and Human Services to execute future amendments and/or documents related to the attached Intergovernmental Transfer agreement after review and approval by County Counsel and Risk Management.

**SOURCE OF FUNDING:**

Federal and State Medi-Cal dollars; County Health Realignment

**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 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 Sept. 1, 2013.

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

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 Medi-Cal services in the county. The state and DHHS have existing contracts with PHC for FY 2018-19 which makes DHHS eligible for IGT funds for FY 2018-19. DHHS has participated in the IGT program for each of the previous five fiscal years.

### **Overview of the IGT Process**

1. DHHS will transfer up to approximately \$2,033,290 in local funds to DHCS. This includes \$1,694,408 in county IGT funds and a \$338,882 state DHCS administrative fee. The source of the funding for this transfer will be 1991 and 2011 realignment funds. The projected date for this transfer is on or about Nov. 9, 2019.
2. Upon receipt of the transferred funds, the state will increase PHC rate payments for FY 2018-19. The new payments will be made up of local transferred funds & new federal funds. After the 20% state administrative fee in the amount of \$338,882 is deducted, PHC will receive the dollars.
3. PHC will distribute the funds (approximately \$3,388,816) to DHHS, as their contracted medical provider. The process will result in approximately \$1,694,408 in net new funds to provide additional health services to Medi-Cal patients.

### **Next steps/approximate timeline**

- County will execute final agreements with DHCS by July 31, 2019
- State will receive federal approval by Oct. 29, 2019
- County will wire funds to the state by Nov. 9, 2019
- PHC will receive capitation payments by March, 2020
- PHC will pay providers by April, 2020

### **FINANCIAL IMPACT:**

There is no impact to the county General Fund associated with the recommendation before your Board. The source of funding for this transfer will be 1991 and 2011 realignment funds held in Trust Fund 3443 and 3742 respectively. There are sufficient funds to accommodate the transfer required by the contract in order to draw down additional dollars. The projected date of the IGT transfer is on or about Nov. 9, 2019. Upon receipt of payment from Partnership HealthPlan, \$1,694,408 will be deposited into Social Services operating fund 1160, budget unit 511, revenue line 585810, which was included in the proposed county budget for FY 2019-20. The balance of the revenue will be deposited back into trust fund 3443 - 1991 Realignment and/or 3742 - 2011 Realignment to offset the initial transfer.

### **STRATEGIC FRAMEWORK:**

This action supports your Board's Strategic Framework by protecting vulnerable populations and creating opportunities for improved safety and health.

### **OTHER AGENCY INVOLVEMENT:**

Partnership HealthPlan of California, California Department of Health Care Services, Federal Centers for Medicare and Medicaid Services.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The board could choose not to approve the attached Intergovernmental Transfer agreement; however, staff does not recommend this alternative. Without the Intergovernmental Transfer agreement, the Department of Health and Human Services would be unable to receive additional federal funds for health programs and services associated with the Medi-Cal managed care health plan.

ATTACHMENTS:

Intergovernmental Agreement Regarding Transfer of Public Funds

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: July 23, 2019

File No.: 19-1019