



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/21/2014

Agenda Placement: 6G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Shelli Brobst for HOWARD HIMES - Director
Health & Human Services Administration

REPORT BY: Akon Walker, STAFF SERVICES ANALYST II - 253-4265

SUBJECT: Fiscal Year 2012-2013 Intergovernmental Transfer Partnership HealthPlan MOU

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chairman to sign a Memorandum of Understanding with Partnership HealthPlan of California (PHC) for the use of Intergovernmental Transfer (IGT) funds for Fiscal Year 2012-2013 for a total net amount of \$391,483, covering a 12 month period beginning on the date the payment is issued to County by PHC, to be used for health care services for Napa County residents.

EXECUTIVE SUMMARY

The proposed Memorandum of Understanding (MOU) between Partnership HealthPlan of California (PHC) and Napa County Health and Human Services Agency (HHSA) outlines the terms under which new federal Medicaid revenues acquired through the Intergovernmental Transfer (IGT) process will be expended on health care services for Napa County residents.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The item is budgeted in the HHSA Health Care Enhancement budget unit 20007.
Is it Mandatory or Discretionary?	Discretionary

Discretionary Justification:	This action is discretionary in that there is no mandate to participate in the Intergovernmental Transfer (IGT) process nor to accept additional federal Medicaid funds made available through the IGT process. However, the IGT process will provide approximately \$400,000 for additional health care programs and activities benefitting Napa County residents.
Is the general fund affected?	No
Future fiscal impact:	Each project to be funded locally by the IGT revenues will likely have a duration of 18-24 months. The IGT process is expected to be available for use by counties to obtain additional federal Medicaid funding in future years.
Consequences if not approved:	If these actions are not approved, Napa County will lose the opportunity to obtain additional federal Medicaid funding.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Intergovernmental Transfer (IGT) process is a funding mechanism under Section 1903(w)(a) of the Social Security Act that states and local governments utilize under certain circumstances to obtain additional federal matching dollars for Medicaid programs. These funds become available when the State claims federal funds for use in the California Medi-Cal system at a level that is less than the maximum allowable federal funding level. The difference between the maximum allowable federal funding level and the actual amount drawn down by the State is referred to as "headroom." This "headroom" of unused federal reimbursement is available to be drawn down by counties and other public entities through an IGT. The Partnership HealthPlan of California (PHC), the county organized health system that provides managed health care services for low-income individuals and families eligible for Medi-Cal in Napa and several surrounding counties, is the fiscal intermediary facilitating the IGT process to increase federal Medicaid funding available to Napa County.

At its June 24, 2014 meeting, the Board approved agreements to: (1) permit the transfer of \$530,069 to the California Department of Health Care Services (DHCS) to be used as local matching funds to obtain an equivalent amount of federal Medicaid revenue; (2) approve a 20 percent administrative fee required by California Welfare and Institutions Code section 14031.4 to reimburse DHCS for "administrative costs" of operating the state IGT program; and (3) amend Napa County's existing agreement with Partnership HealthPlan of California (PHC) to permit PHC to pass through the additional federal Medicaid matching funds to Napa County to enable the County to provide health care services to Napa County residents.

The amended Partnership HealthPlan agreement (Agreement No. 7655) requires HHSA to enter into a Memorandum of Understanding (MOU) with PHC governing the use of the proceeds of the IGT. The proposed MOU: (1) describes the mutually acceptable set of health care services and programs that will be provided to Napa County residents utilizing the additional federal Medicaid revenues generated by the IGT process, and (2) delineates the roles and responsibilities of PHC and HHSA.

The uses to which the IGT proceeds may be put are subject to limitations set at the Federal, State, and PHC levels.

Briefly summarizing, the funds must be utilized to develop, expand, enhance, or preserve services related to the healthcare of Medi-Cal beneficiaries. More specifically, they are to be spent to promote the well-being of Medi-Cal beneficiaries by supporting the local safety net through improved behavioral health service (including substance abuse treatment and prevention), care coordination and case management services, oral health, and/or improving access to specialty care.

In 2013, the Board of Supervisors approved eight local projects supported by the completion of the IGT process. However, there is a reduction in the amount of IGT funding available for the upcoming year due to recent changes in the IGT process imposed by the California Department of Health Care Services (DHCS). All eight local projects will continue, but this year's IGT funding will be used in combination with last year's remaining IGT dollars to fully fund four of the eight projects, which are also in compliance with the expenditure requirements pertaining to IGT funds. The remaining four projects will be funded through existing County General Funds allocated to HHSA, and other state and federal revenue sources.

Upon approval of the MOU by the Board, the FY 12-13 IGT funds will be used for the projects described in Attachment A to the MOU and include: (1) restoration of capacity in HHSA's outpatient addiction treatment program in the wake of reductions occurring during the recession; (2) evidence based "Parent-Child Interactive Therapy" training for parents, foster parents, and child care givers; (3) enhancement of the behavioral health services provided to children of high-risk families participating in HHSA's Therapeutic Child and Family Center; and (4) the piloting of a multidisciplinary care coordination unit to provide assessment, navigation and referral services to HHSA clients who will benefit from an integrated approach to the coordination of multiple services.

Contracts with community based organizations, staffing authorizations, and other actions required to implement these projects will be submitted to the Board for approval after the IGT funds are received.

Under the terms of the MOU, any IGT funds unexpended at the end of the term of the MOU are to be held in a reserve and must be expended in accordance with the requirements of the funders and the MOU.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Collins