



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 4/9/2019

Agenda Placement: 6D

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: JoAnn Melgar for Jennifer Yasumoto - Director
Health & Human Services Administration

REPORT BY: JoAnn Melgar, Staff Services Analyst II - 707-253-4722

SUBJECT: Amendment No. 1 to Agreements related to Intergovernmental Transfer of Public Funds

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign the following amendments with the California Department of Health Care Services (DHCS):

1. Amendment No. 1 to Agreement No. 170884B (DHCS Agreement No. 16-93675) for Intergovernmental Agreement Regarding the Transfer of Public Funds extending the term through December 31, 2020 in order to facilitate a reconciliation process conducted by DHCS; and
2. Amendment No. 1 to Agreement No. 170885B for the Intergovernmental Transfer Assessment Fee Agreement to update the reference to Amendment No. 1 to DHCS Agreement No. 16-93675.

EXECUTIVE SUMMARY

The Intergovernmental Transfer (IGT) process is a funding strategy under Section 1903(w)(a) of the Social Security Act that local governments use to increase federal matching dollars for Medicaid programs. Napa County has participated in the IGT process since 2013.

In order to facilitate the reconciliation process for the FY 2016-17 Rate Range Program, the existing agreements need to be extended through December 31, 2020. Previously these Agreements expired June 30, 2019. Funds have already been transferred to DHCS pursuant to these Agreements. This extension will provide DHCS appropriate time to complete the reconciliation process.

FISCAL IMPACT

Is there a Fiscal Impact? No

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

Intergovernmental Transfer (IGT) Agreement No. 170884B:

The IGT process is a funding strategy under Section 1903(w)(a) of the Social Security Act that states and/or local governments use to increase federal matching dollars for Medicaid programs. Federal Medicaid matching rates range from 50 to 77 percent nationally. California currently receives a 50 percent match for services provided through Medi-Cal, the California Medicaid program.

Currently, the State claims federal funds for use in the 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. 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, permits Napa County to participate in the IGT process to increase federal Medicaid funding available to Napa County.

This Agreement approved an Intergovernmental Transfer of \$1,621,912 for the period of July 1, 2015 through June 30, 2016 and \$1,738,850 for the period of July 1, 2016 through June 30, 2017 to the California Department of Health Care Services (DHCS) to be used as matching funds to obtain additional federal Medicaid funding. The matching funds will be returned to Napa County along with an equivalent amount of new federal Medicaid revenue.

The additional Medicaid funds must be used for the provision of health care services to Napa County residents. Napa County Health and Human Services Agency (HHS) will use the additional federal Medicaid funds to improve access to services, address service gaps or shortfalls by enhancing, expanding or otherwise supporting health-related services that are not already funded under the Medi-Cal system.

IGT Assessment Fee Agreement No. 170885B:

Under California Welfare and Institutions Code section 14301.4, DHCS has authority to assess a 20 percent fee on the non-federal share of Medicaid IGT's to reimburse DHCS for administrative costs of operating the state IGT program. Public entities engaging in the Medicaid IGT process are required to pay this fee to DHCS. This proposed agreement allowed DHCS to assess the 20 percent administrative fee related to Napa County's participation in the Medicaid IGT process.

Purpose of Amendments to these Agreements:

In order to facilitate the reconciliation process for the FY 2016-17 Rate Range Program, the existing agreements need to be extended through December 31, 2020. Previously these Agreements expired June 30, 2019. Funds have already been transferred to DHCS pursuant to these Agreements. This extension will provide DHCS appropriate time to complete the reconciliation process.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri