

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Health Services Agency MOA

BOARD AGENDA # B-9

Urgent Routine

AGENDA DATE September 9, 2014

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval for the Health Services Agency to Pursue an Intergovernmental Transfer Arrangement with the California Department of Health Care Services Enabling Federal Matching Funds for Medi-Cal Related Services

STAFF RECOMMENDATIONS:

1. Authorize the Health Services Agency to pursue an Intergovernmental Transfer (IGT) with the California Department of Health Care Services.
2. Authorize the Health Services Agency Managing Director or her designee to negotiate and execute an Intergovernmental Agreement regarding the transfer of Public Funds with the California Department of Health Care Services in the approximate amount of \$6,000,000 and related documents.

(Continued on Page 2)

FISCAL IMPACT:

The Adopted Proposed Budget for Fiscal Year 2014-2015 for the Clinics and Ancillary Division of the Health Services Agency (Agency) was approximately \$42 million which included a General Fund contribution of \$3.1 million and maintains current service levels.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-470

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Withrow, Monteith, and Chairman De Martini

Noes: Supervisors: None

Excused or Absent: Supervisors: Chiesa

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST:

Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS (Continued):

3. Authorize the Health Services Agency Managing Director or her designee to negotiate and execute an Intergovernmental Transfer Assessment Fee Agreement with the California Department of Health Care Services in the amount of approximately \$1.2 million from the Health Services Agency to the California Department of Health Care Services, and related documents.
4. Authorize the Health Services Agency Director or her designee to negotiate and execute an Amendment to the Health Plan-Provider Agreement with Health Net to disburse an approximate amount of \$6.2 million to the Health Services Agency to support health services for Medi-Cal beneficiaries and other underserved populations, and any related documents.
5. Authorize the Health Services Agency Director or her designee to negotiate and execute an Amendment to the Health Plan-Provider Agreement with Health Plan of San Joaquin to disburse an approximate amount of \$5.4 million to the Health Services Agency to support health services for Medi-Cal beneficiaries and other underserved populations, and any related documents.
6. Authorize the Health Services Agency to pursue Intergovernmental Transfer arrangements for further fiscal years and enter necessary agreements.

FISCAL IMPACT (Continued):

However, some costs such as those associated with labor negotiations were not included in the budget. Receipt of IGT funds for Rate Year 2012 -2013 would assist the Agency in offsetting approved salary increases and other exposures that may occur during fiscal year 2014-2015.

The Agency requests the Board of Supervisors approval to pursue participation in an IGT to secure additional Federal matching funds to support health care services to the Medi-Cal eligible population.

The Agency contribution (transfers) intended for Federal matching and the State assessment fee are available in the Agency's Clinics and Ancillary Services budget. The transfers to the California Department of Health Care Services (DHCS) as well as Health Net and Health Plan of San Joaquin payments to the Agency of approximately \$11.6 million are anticipated to occur as early as September 30, 2014 but no later than December 31, 2014. While the Agency will pay approximately \$1.2 million to DHCS to participate in the IGT and offset the State's cost for administration, the Agency will receive its original \$6 million back and an estimated \$5.6 million in new Federal revenue, resulting in a net increase in revenue of approximately \$4.4 million. If

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approved by the Board, the Agency can absorb the appropriations in their existing budget and will request revisions as part of the Fiscal Year 2014-2015 First Quarter Budget process.

There is no additional impact to the General Fund as a result of the recommended participation in IGT.

DISCUSSION:

Welfare and Institutions Code Sections 14164 and 14301.4 provide for the voluntary Intergovernmental Transfer (IGT) program related to the Medi-Cal managed care capitation rate ranges. In accordance with the code sections, eligible entities, that consist of counties, other political subdivisions of the state or governmental entity in the State, may elect to transfer funds to the State in support of the Medi-Cal program.

For a few years, several California non-hospital counties participating in Medi-Cal Managed Care have entered into IGT agreements with DHCS to help increase State payments to the Medi-Cal Managed Care Plans. The IGT consists of the transfer of eligible local dollars (not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations) to DHCS. DHCS in turn uses the funds to draw down additional Federal funding from the Centers for Medicare and Medicaid Services (CMS). Since the funds must be used in support of the Medi-Cal Managed Care program, DHCS transfers both the original contribution and matched funds to the Medi-Cal Managed Care Plan who in turn makes those funds available to its contracted Medi-Cal provider.

As a result of being a Health Net and Health Plan of San Joaquin Plan provider, the County of Stanislaus Health Services Agency may participate in IGTs to draw down the additional funds to recover enhanced reimbursement for unreimbursed costs for services supporting the Medi-Cal population in Fiscal Year 2012-2013. (There is also an option for the County to continue IGTs for Rate Year 2013-2014 which we are now anticipating will be available in Fiscal Year 2015-2016.)

Due to time constraints, the Health Services Agency began discussions with DHCS as well as Health Net and Health Plan of San Joaquin in July 2014 in order to notify the State of the County's interest in participating in the IGT program. DHCS then notified the Agency that a non-binding letter of interest must be submitted no later than August 8, 2014. The Agency submitted the non-binding letter of interest and has been working with both DHCS and the Plans on the necessary agreements.

The prior year agreements (Attachments #1, 2 and 3) are based on State templates, which have been reviewed by DHCS and approved by County Counsel. Since the

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contract documents for Rate Year 2012-2013 are not yet available, copies of last year's agreements are attached for reference. Due to the anticipated short turnaround time, we are recommending that the Managing Director be given authority to negotiate and sign these agreements as well as any related documents provided the agreements have been approved by County Counsel.

Overview of IGT Process:

With the Board's approval, the Agency will transfer approximately \$6.0 million to DHCS. Additionally, the Agency will make a separate payment of approximately \$1.2 million to DHCS as authorized in Welfare and Institutions Code Section 14301.4 to cover the administrative costs (assessment fee) of operating the IGT program and to support the Medi-Cal program. It is anticipated that these transfers will need to be made no later than September 30, 2014.

After receipt of the County IGT funds as well as the assessment fee, the State will draw down approximately \$5.6 million in Federal funds from CMS. Upon receipt of the County funds as well as the new Federal match, DHCS will increase the plan's rate payments for Rate Year 2012-2013 by approximately \$11.6 million. It is anticipated that the State's payment to the plan will occur prior to December 31, 2014.

Upon receipt of the approximate \$11.6 million in increased payments from the State, the plans will make payments to the Agency of approximately \$11.4 million which is comprised of the original contribution of \$6.0 million and the \$5.6 million in new Federal funds less approximately \$242,000 for the plans' administrative costs.

New Federal matching funds received by the Agency are to be used to promote the well-being of Health Net and Health Plan of San Joaquin Medi-Cal beneficiaries by maintaining and/or improving current services. The Agency is considering using the funds towards physician specialty services as well as full service rehabilitation services.

Timing and the Future

The Agency had explored the possibility of pursuing an IGT in 2011, but tabled the effort when it was learned that the Federal government was studying the IGT arrangements, and the future of such was questionable. However, IGT arrangements withstood the Federal scrutiny, and the State continues to support such arrangements. On August 6, 2013 the Agency received approval by the Board, to enter into agreements for Rate Year 2011-2012 and as shared in the August 6, 2013 Board Item the Agency intends to enter similar agreements for the 2012-2013 and 2013-2014 rate years relative to both Health Net and Health Plan of San Joaquin, the two Medi-Cal Managed Care health plans operating in Stanislaus County.

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The Agency is now requesting approval to enter into IGTs for Rate Year 2012-2013 with both Health Net and Health Plan of San Joaquin. Further, unless the State requires specific approval by the Board of Supervisors each year, staff is requesting the authority to pursue and enter such agreements in future fiscal years should the opportunity be available.

POLICY ISSUES:

Approval of these recommendations will support the Board's priority of A Healthy Community by allowing the Agency to secure additional resources needed to maintain the availability of health care services to patients.

STAFFING IMPACT:

There are no staffing impacts associated with this item. The Health Services Agency will use existing staff to fulfill the scope of work required in the proposed Agreements.

DEPARTMENT CONTACT:

Mary Ann Lee, Managing Director Health Services Agency, 209-558-7163

INTERGOVERNMENTAL TRANSFER ASSESSMENT FEE

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES ("State DHCS") and the County of Stanislaus with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14301.4.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 County of Stanislaus shall make Intergovernmental Transfer(s) ("IGTs") to State DHCS pursuant to section 14164 of the Welfare and Institutions Code and paragraph 1.1 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds contract number 11-88522, to be used as a portion of the non-federal share of actuarially sound Medi-Cal managed care rate range capitation increases ("non-federal share IGT") to Health Net for the period of October 1, 2011 through September 30, 2012.

1.2 The parties acknowledge that State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services ("CMS") pertaining to the acceptance of non-federal share IGTs, and the payment of non-federal share IGT related rate range capitation increases to Health Net.

2. Intergovernmental Transfer Assessment Fee

2.1 The State DHCS shall, upon acceptance of non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1

of this Agreement, exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20-percent assessment fee on the entire amount of the non-federal share IGTs to reimburse State DHCS for the administrative costs of operating the IGT program pursuant to this section and for the support of the Medi-Cal program.

2.2 The funds subject to the 20-percent assessment fee shall be limited to non-federal share IGTs made by the transferring entity, County of Stanislaus, pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement.

2.3 The 20-percent fee will be assessed on the entire amount of the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement, and will be made in addition to, and transferred separately from, the transfer of funds pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds.

2.4 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to State DHCS separately from, and simultaneous to, the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement. However, if any portion of the non-federal share IGTs is not expended for the specified rate increases stated in paragraph 2.2 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, DHCS shall return a proportionate amount of the 20-percent assessment fee to the County of Stanislaus.

3. Other Provisions

3.1 This Agreement contains the entire Agreement between the parties with respect to the 20-percent assessment fee on non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1, and supersedes any previous or

contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the transferring entity and State DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements may exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

3.2 Time is of the essence in this Agreement.

3.3 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

4. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify State DHCS' powers, authorities, and duties under federal and state law and regulations.

5. Approval. This Agreement is of no force and effect until signed by the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL
BY [Signature]
DATE: 7-19-13

COUNTY OF STANISLAUS

By: [Signature] Date: 8/6/13
Mary Ann Lee, Managing Director, County of Stanislaus Health Services Agency

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: [Signature] Date: 9-3-13
Stuart Busby, CPA, DABFA, Chief, Capitated Rates Development Division

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES ("DHCS") and the County of Stanislaus with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14164 and 14301.4.

B. Health Net of California Inc. is a Medi-Cal Managed Care Plan formed pursuant to Health and Safety Code Section 1349 et seq. Health Net Inc. is a party to a Medi-Cal managed care contract with DHCS, entered into pursuant to Welfare and Institutions Code section 14087.3, under which Health Net arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in the County.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The County of Stanislaus shall transfer funds to DHCS pursuant to section 14164 and 14301.4 of the Welfare and Institutions Code, up to a maximum total amount of one million four hundred sixteen thousand seven hundred and fifty dollars (\$1,416,750), to be used solely as a portion of the nonfederal share of actuarially sound Medi-Cal managed care capitation rate increases for Health Net for the period October 1, 2011 through September 30, 2012 as described in section 2.2 below. The funds shall be transferred in accordance with a mutually agreed upon schedule between the County of Stanislaus and DHCS, in the amounts specified therein.

1.2 The County of Stanislaus shall certify that the funds transferred qualify for federal financial participation pursuant to 42 C.F.R. part 433 subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. For transferring units of government that are also direct service providers, impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

2. Acceptance and Use of Transferred Funds by DHCS

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the County of Stanislaus pursuant to this Agreement as intergovernmental transfers ("IGTs"), to use for the purpose set forth in section 2.2 below.

2.2 The funds transferred by the County of Stanislaus pursuant to this Agreement shall be used to fund a portion of the nonfederal share of increases in Medi-Cal managed care actuarially sound capitation rates described in paragraph (4) of subdivision (b) of section 14301.4 of the Welfare and Institutions Code and shall be paid, together with the related federal financial participation, by DHCS to Health Net as part of Health Net's capitation rates for the period October 1, 2011 through September 30 2012. The rate increases paid under section 2.2 shall be used for payments related to Medi-Cal services rendered to Medi-Cal beneficiaries. The rate increases paid under this section 2.2 shall be in addition to, and shall not replace or supplant, all other amounts paid or payable by DHCS or other State agencies to Health Net.

2.3 DHCS shall seek federal financial participation for the rate increases specified in section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge the State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services prior to the payment of any rate increase pursuant to section 2.2.

2.5 The parties agree that none of these funds, either County of Stanislaus or federal matching funds will be recycled back to the County of Stanislaus general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement and their provider agreement constitute patient care revenues.

2.6 Within One Hundred Twenty (120) calendar days of the execution of this Agreement, DHCS shall advise the County of Stanislaus and Health Net of the amount of the Medi-Cal managed care capitation rate increases that DHCS paid to Health Net during the applicable rate year involving any funding under the terms of this Agreement.

2.7 If any portion of the funds transferred by the County of Stanislaus pursuant to this Agreement is not expended for the specified rate increases under Section 2.2, DHCS shall return the unexpended funds to the County of Stanislaus.

3. Amendments

3.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

3.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in section 2 of this Agreement.

4. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States first class, certified or registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the County of Stanislaus:

Mary Ann Lee, Managing Director
County of Stanislaus Health Services Agency
830 Scenic Drive
Modesto, CA 95350

With copies to:

Carol Dunbar, CFO
County of Stanislaus Health Services Agency
830 Scenic Drive
Modesto, CA 95350

To DHCS:

Sandra Dixon
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., Suite 71-4002
MS 4413
Sacramento, CA 95814

5. Other Provisions

5.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal rate increases for Health Net described in section 2.2 that are funded by the County of Stanislaus and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the County of Stanislaus and DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements already exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

5.2 The nonenforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

5.3 Section 2 of this Agreement shall survive the expiration or termination of this Agreement.

5.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

5.5 Time is of the essence in this Agreement.

5.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

6. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under federal and state law and regulations.

7. Approval. This Agreement is of no force and effect until signed by the parties.

8. Term. This Agreement shall be effective as of October 1, 2011 and shall expire as of December 31, 2013 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

THE County of Stanislaus By: Mary Ann Lee Date: 8/6/13

Mary Ann Lee, Managing Director, County of Stanislaus Health Services Agency

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: Stuart Busby Date: 9-3-13

Stuart Busby, CPA, DABFA, Chief, Capitated Rates Development Division

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL
BY [Signature]
DATE: 7-19-13

HEALTH PLAN-PROVIDER AGREEMENT

Participating Physician Group Provider Services Agreement

AMENDMENT

This Amendment is made this day 12th of August 2013, by and between Health Net of California, Inc., a California corporation licensed pursuant to Health and Safety Code Section 1349 et seq. to act as a health plan hereinafter referred to as "PLAN", and Stanislaus County Health Services Agency, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective April 1, 2005;

WHEREAS, Section 7.1 of such Agreement provides for amending such Agreement;

WHEREAS, Health Net Community Solutions, Inc. (HNCS), a corporate entity licensed under Health and Safety Code Section 1349 et seq. has a contract with the State Department of Health Care Services pursuant to Welfare and Institutions Code Section 14087.3 to act as a Medi-Cal managed care plan. HNCS has contracted with Health Net of California, Inc. to fulfill its responsibilities for the provision of Medi-Cal covered services for eligible Medi-Cal members. Health Net of California, Inc. has subsequently entered into the Agreement referenced above, and amendments to it, to allow PROVIDER to render such services to HNCS Medi-Cal members in Stanislaus County. For purposes of this Amendment, Health Net of California, Inc. and Health Net Community Solutions, Inc. shall collectively be referred to as "PLAN;"

WHEREAS, Provider is a department of Stanislaus County and provides health care services and arranges for the provision of professional health care services, supplies products or related services and contracts with the PLAN to provide these services to Medi-Cal beneficiaries. This amendment is intended to recognize and compensate the Provider for services provided to Plan members that are outside of and are not part of the FQHC services specifically physician specialty services including ENT, orthopedics, neurology, ophthalmology, general surgery, gastroenterology, HEP C, oncology, urology, podiatry, neurosurgery, and full service rehabilitation services (physical therapy, occupational therapy and wound care).

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the County of Stanislaus to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Addendum F, Section 2, Medi-Cal Provisions, subsection "Compensation to PPG" of the Agreement is amended to add a new Section 2.1 IGT Medi-Cal Managed Care Capitation Rate Range Increases as follows:

2.1 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the County of Stanislaus specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds ("Intergovernmental Agreement") effective for the period October 1, 2011 through September 30, 2012 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Managed Care Organizations Tax

The PLAN shall be responsible for any Managed Care Organization ("MCO") tax due pursuant to the Revenue and Taxation Code Section 12201 relating to any IGT MMCRRIs. If the PLAN receives any capitation rate increases for MCO taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MCO tax that PLAN is required to pay to the State DHCS, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(2) The PLAN shall retain a two percent (2%) administrative fee based on the total amount of the IGT MMCRRIs received from DHCS for PLAN'S cost to administer this program. Each provider's share of the 2% fee shall be calculated based on that provider's proportionate share of the LMMCRR IGT payments made by Plan in Stanislaus County.

(3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. **Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments**

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain its capacity to serve as a provider of primary care services for PLAN Medi-Cal beneficiaries; and

(3) maintain those services which are the basis for receipt of the LMMCRR IGT payments and that are not part of the PROVIDER's FQHC, including specialty physician services, (specifically ENT, orthopedics, neurology, ophthalmology, general surgery, gastroenterology, HEP C, oncology, urology, podiatry and neurosurgery) and full service rehabilitation services (physical therapy, occupational therapy and wound care).

D. **Schedule and Notice of Transfer of Non-Federal Funds**

The County of Stanislaus shall notify the PLAN within five business days after the County funds referred to in the Intergovernmental Transfer Agreement have been transferred to the State.

E. **Form and Timing of Payments**

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. **Consideration**

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER as described in Section C.3. above, not including services rendered by the Provider's FQHC, during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the LMMCRR IGT Payments are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other County of Stanislaus funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the County of Stanislaus or federal matching funds will be recycled back to the County general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Stanislaus County.

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written

objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section 7.5 of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Section J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement notwithstanding, PROVIDER shall indemnify and hold PLAN harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN after the execution date of this Amendment as a result of PLAN's receipt of IGT Rate Increases or payment of LMMCRR IGT payments, including but not limited to the following circumstances:


(2) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any monies from or fails to provide any monies to PLAN, or PLAN is denied any monies to which it otherwise would have been entitled, for any reason relating to the Medi-Cal managed care capitation rate increases arising from the Intergovernmental Agreement as such increases flow through the Medi-Cal Agreement between PLAN and the State and this Agreement, including but not limited to (a) State DHCS' use of IGT Rate Increases or LMMCRR IGT payments to supplant or replace other amount in violation of the restrictions in Section 2.2 of the Intergovernmental Agreement; (b) the failure of the IGT Rate Increases to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; or (c) overpayment of IGT Rate Increases to PLAN by State DHCS, PLAN shall have a right to immediately recoup, offset or withhold any and all such amounts from payments otherwise due to PROVIDER. Recovery by PLAN pursuant to this section shall include, but not be limited to, reduction in future LMMCRR IGT payments paid to PROVIDER in an amount equal to the amount of IGT Rate Increases payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER.

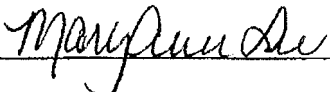
2. Term

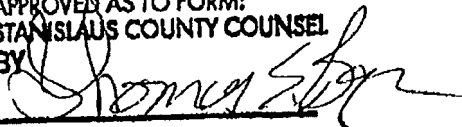
The term of this Amendment shall commence on October 1 2011 and shall terminate on May 1 2014.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN:  Date: 8/15/2013
By: Title: Chair, VP STATE HEALTH PROGRAMS

PROVIDER:  Date: 8/6/13
By: Title: Mary Ann Lee, Managing Director, Stanislaus County Health Services Agency

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL
BY 
DATE: 7-19-13

HEALTH PLAN-PROVIDER AGREEMENT

Physician Group Medical Service Agreement
between
Health Plan of San Joaquin
and
Stanislaus County Health Services Agency

FIRST AMENDMENT

This Amendment is made this 15th day of Sept. 2014 {month/year}, by and between Health Plan of San Joaquin, a Public Agency, hereinafter referred to as "PLAN", and Stanislaus County Health Services Agency, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective January 1, 2013;

WHEREAS, Section 12.5 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a Health Care Services Plan licensed under the California Knox-Keene Health Care Services Plan Act of 1975, formed pursuant to Welfare and Institutions Code Section 14087.31 and section 5-7000 of Division 7 of Title 5 of the San Joaquin County Ordinance Code. PLAN is party to a Medi-Cal managed care contract with the State of California Department of Health Care Services under which the Plan arranges and pays for the provision of primary and specialty care medical services for eligible Members in Stanislaus County.

WHEREAS, Provider is a department of Stanislaus County and provides health care services and arranges for the provision of professional health care services, supplies products or related services and contracts with the PLAN to provide these services to Medi-Cal beneficiaries. This amendment is intended to recognize and compensate the Provider for services provided to Plan members that are outside of and are not part of the County's FQHC services specifically physician specialty services including ENT, orthopedics, neurology, ophthalmology, general surgery, gastroenterology, HEP C, urology, podiatry, neurosurgery, and full service rehabilitation services (physical therapy, occupational therapy and wound care).

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the County of Stanislaus to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Attachment E of the Agreement is added to read as follows:

“Attachment E”

**IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES
for the 2012-13 RATE YEAR**

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the County of Stanislaus specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds (“Intergovernmental Agreement”) effective for the period January 1, 2013 through September 30, 2013 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases (“IGT MMCRRIs”), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range (“LMMCRR”) IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

- (1) Managed Care Organizations Tax and Medi-Cal Managed Care Seller’s Tax

The PLAN shall be responsible for any Managed Care Organization (“MCO”) tax due pursuant to the Revenue and Taxation Code Section 12201 and any Medi-Cal Managed Care Seller’s (“MMCS”) tax due pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCRRIs through September 30, 2013. If the PLAN receives any capitation rate increases for MCO/MMCS taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MCO/MMCS tax that PLAN is required to pay to the State DHCS, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

- (2) The Plan shall retain a two percent (2%) administrative fee based on the total amount of the IGT MMCRRIs received from DHS for PLAN’s cost to administer this program. Each provider’s share of the 2% fee shall be calculated based on that provider’s proportionate share of the LMMCRR IGT payments made by Plan in Stanislaus County.

- (3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

- (1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;
- (2) maintain those services which are the basis for receipt of the LMMCRR IGT payments and that are not part of the PROVIDER's FQHC, including specialty physician services, (specifically ENT, orthopedics, neurology, ophthalmology, general surgery, gastroenterology, HEP C, urology, podiatry and neurosurgery), public health medical care visits, and full service rehabilitation services (physical therapy, occupational therapy and wound care).

D. Schedule and Notice of Transfer of Non-Federal Funds

The County of Stanislaus agrees to provide notice to PLAN regarding the timing and transfer of funds from the County of Stanislaus to State DHCS in accordance with the Agreement between the County of San Joaquin and State DHCS regarding such funds.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

- (1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).
- (2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

- (a) The LMMCRR IGT Payments shall represent compensation for non-FQHC Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the state fiscal year to which the LMMCRR IGT Payments apply, as listed in Section C.2.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the LMMCRR IGT Payments are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other County of Stanislaus funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the County of Stanislaus or federal matching funds will be recycled back to the County of Stanislaus general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Stanislaus County.

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section 9 of the Agreement. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

2. **Term**

The term of this Amendment shall commence on January 1, 2013 and shall terminate on December 31, 2015.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN:  Date: 9/9/14

Amy Shin, Chief Executive Officer, Health Plan of San Joaquin

PROVIDER:  Date: 9/15/14

Mary Ann Lee, Managing Director, County of Stanislaus Health Services Agency

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL

BY 

DATE: 9-12-14

HEALTH PLAN-PROVIDER AGREEMENT
STANISLAUS COUNTY HEALTH SERVICES AGENCY
AMENDMENT to AGREEMENT

This Amendment is made this 1ST day of October, 2014, by and between Health Net of California, Inc., a California corporation licensed to pursuant to Health and Safety Code section 1349 et seq. to act as a health plan hereinafter referred to as "PLAN," and Stanislaus County Health Services Agency, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective April 1, 2005;

WHEREAS, Section 7.1 of such Agreement provides for amending such Agreement;

WHEREAS, Health Net Community Solutions, Inc. (HNCS), a corporate entity licensed under Health and Safety Code Section 1349 et seq. has a contract with the State Department of Health Care Services pursuant to Welfare and Institutions Code Section 14087.3 to act as a Medi-Cal managed care plan. HNCS has contracted with Health Net of California, Inc. to fulfill its responsibilities for the provision of Medi-Cal covered services for eligible Medi-Cal members. Health Net of California, Inc. has subsequently entered into the Agreement referenced above, and amendments to it, to allow PROVIDER to render such services to HNCS Medi-Cal members in Stanislaus County. For purposes of this Amendment, Health Net of California, Inc. and Health Net Community Solutions, Inc. shall collectively be referred to as "PLAN;"

WHEREAS, Provider is a department of Stanislaus County and provides health care services and contracts with the PLAN to provide these services to Medi-Cal beneficiaries. This amendment is intended to recognize and compensate the Provider for services provided to Plan members that are outside of and are not part of the FQHC services, specifically physician specialty services including ENT, orthopedics, neurology, ophthalmology, general surgery, gastroenterology, HEP C, urology, podiatry, neurosurgery, public health medical care services, and full service rehabilitation services (physical therapy, occupational therapy and wound care).

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the County of Stanislaus to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Addendum F, Section 2, Medi-Cal Provisions, subsection "Compensation to PPG" of the Agreement is amended to add a new Section 3.1 IGT Medi-Cal Managed Care Capitation Rate Range Increases 2012-13 Rate Year as follows:

IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES 2012-13

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the County of Stanislaus specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds ("Intergovernmental Agreement") effective for the period October 1, 2012 through September 30, 2013 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Managed Care Organizations Tax

The PLAN shall be responsible for any Managed Care Organization ("MCO") tax due pursuant to the Revenue and Taxation Code Section 12201 and any Medi-Cal Managed Care Seller's ("MMCS") tax due pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCRRIs through September 30, 2013. If the PLAN receives any capitation rate increases for MCO/MMCS taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MCO/MMCS tax that PLAN is required to pay to the State DHCS, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(2) Medi-Cal Managed Care Seller's Tax

The PLAN shall be responsible for any Medi-Cal Managed Care Seller's ("MMCS") tax due pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCRRIs through September 30, 2013. If the PLAN receives any capitation rate increases for MMCS taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MMCS tax that PLAN is required to pay to the State DHCS, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER

(3) The Plan shall retain a two percent (2%) administrative fee based on the total amount of the IGT MMCRRIs received from DHCS for PLAN's cost to administer this

program. Each provider's share of the 2% fee shall be calculated based on that provider's proportionate share of the LMMCRR IGT payments made by Plan in Stanislaus County.

(4) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain those services which are the basis for receipt of the LMMCRR IGT payments and that are not part of the PROVIDER's FQHC, including specialty physician services, (specifically ENT, orthopedics, neurology, ophthalmology, general surgery, gastroenterology, HEP C, urology, podiatry and neurosurgery), public health medical visits, and full service rehabilitation services (physical therapy, occupational therapy and wound care).

D. Schedule and Notice of Transfer of Non-Federal Funds

The County of Stanislaus shall notify the PLAN within five business days after the County funds referred to in the Intergovernmental Transfer Agreement have been transferred to the State.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for non-FQHC Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the LMMCRR IGT Payments are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other County of Stanislaus funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the County of Stanislaus or federal matching funds will be recycled back to the County of Stanislaus general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to

work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Stanislaus County.

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN [or Health Plan] of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section 7.5 of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Section J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement notwithstanding, PROVIDER shall indemnify and hold PLAN harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN after the execution date of this Amendment as a result of PLAN's receipt of IGT rate increases or payment of LMMCRR IGT payments, including but not limited to the following circumstances:

(2) In the event that State DHCS, the Department of Human Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any monies from or fails to provide any monies to PLAN, or PLAN is denied any monies to which it otherwise would have been entitled, for any reason relating to the Medi-Cal managed care capitation rate increases arising from the Intergovernmental Agreement as such increases flow through the Medi-Cal Agreement between PLAN and the State and this Agreement, including but not limited to (a) State DHCS' use of IGT Rate Increases or LMMCRR IGT payments to supplant or replace other amount in violation of the restrictions in Section 2.2 of the Intergovernmental Agreement; (b) the failure of the IGT Rate Increases to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; or (c) overpayment of the IGT Rate Increases to PLAN by State DHCS, PLAN shall have a right to immediately recoup, offset or withhold any and all such amounts from payments otherwise due to PROVIDER. Recovery by PLAN pursuant to this section shall include, but not be limited to, reduction in future LMMCRR IGT payments paid to PROVIDER in an amount equal to the amount of IGT

Rate Increases payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER.

2. **Term**

The term of this Amendment shall commence on October 1, 2012 and shall terminate on December 31, 2015.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN:  Date: 9/17/2014

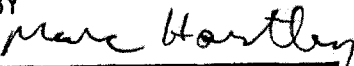
David Friedman, Vice President State Health Programs, Health Net of California, Inc.

PROVIDER:  Date: 9/22/14

Mary Ann Lee, Managing Director, County of Stanislaus Health Services Agency

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL

BY



DATE: 9-22-14

INTERGOVERNMENTAL TRANSFER ASSESSMENT FEE

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“State DHCS”) and the County of Stanislaus with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14301.4.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 County of Stanislaus shall make Intergovernmental Transfer(s) (“IGTs”) to State DHCS pursuant to section 14164 of the Welfare and Institutions Code and paragraph 1.1 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds contract number 12-89615 to be used as a portion of the non-federal share of actuarially sound Medi-Cal managed care rate range capitation increases (“non-federal share IGT”) to Health Plan of San Joaquin for the period of January 1, 2013 through September 30, 2013.

1.2 The parties acknowledge that State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services (“CMS”) pertaining to the acceptance of non-federal share IGTs and the payment of non-federal share IGT related rate range capitation increases to Health Plan of San Joaquin.

2. Intergovernmental Transfer Assessment Fee

2.1 The State DHCS shall, upon acceptance of non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1

of this Agreement, exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20-percent assessment fee on the entire amount of the non-federal share IGTs to reimburse State DHCS for the administrative costs of operating the IGT program pursuant to this section and for the support of the Medi-Cal program.

2.2 The funds subject to the 20-percent assessment fee shall be limited to non-federal share IGTs made by the transferring entity, County of Stanislaus, pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement.

2.3 The 20-percent fee will be assessed on the entire amount of the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement, and will be made in addition to, and transferred separately from, the transfer of funds pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds.

2.4 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to State DHCS separately from, and simultaneous to, the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement. However, if any portion of the non-federal share IGTs is not expended for the specified rate increases stated in paragraph 2.2 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, DHCS shall return a proportionate amount of the 20-percent assessment fee to the County of Stanislaus.

3. Other Provisions

3.1 This Agreement contains the entire Agreement between the parties with respect to the 20-percent assessment fee on non-federal share IGTs pursuant to the Intergovernmental Agreement(s)

Regarding the Transfer of Public Funds, and as described in paragraph 1, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the transferring entity and State DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements may exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

3.2 Time is of the essence in this Agreement.

3.3 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

4. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify State DHCS' powers, authorities, and duties under federal and state law and regulations.

5. Approval. This Agreement is of no force and effect until signed by the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

County of Stanislaus: _____

By: Mary Ann Lee

Date: 9/15/14

Mary Ann Lee, Managing Director, County of Stanislaus Health Services Agency

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: [Signature]

Date: OCT 24 2014

Meredith Wurden, Acting Assistant Deputy Director, Health Care Financing

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL
BY

Marc Hartley
DATE: 9-12-14

INTERGOVERNMENTAL TRANSFER ASSESSMENT FEE

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“State DHCS”) and the County of Stanislaus with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14301.4.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 County of Stanislaus shall make Intergovernmental Transfer(s) (“IGTs”) to State DHCS pursuant to section 14164 of the Welfare and Institutions Code and paragraph 1.1 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds contract number 12-89617 to be used as a portion of the non-federal share of actuarially sound Medi-Cal managed care rate range capitation increases (“non-federal share IGT”) to Health Net for the period of October 1, 2012 through September 30, 2013.

1.2 The parties acknowledge that State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services (“CMS”) pertaining to the acceptance of non-federal share IGTs and the payment of non-federal share IGT related rate range capitation increases to Health Net.

2. Intergovernmental Transfer Assessment Fee

2.1 The State DHCS shall, upon acceptance of non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1

of this Agreement, exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20-percent assessment fee on the entire amount of the non-federal share IGTs to reimburse State DHCS for the administrative costs of operating the IGT program pursuant to this section and for the support of the Medi-Cal program.

2.2 The funds subject to the 20-percent assessment fee shall be limited to non-federal share IGTs made by the transferring entity, County of Stanislaus, pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement.

2.3 The 20-percent fee will be assessed on the entire amount of the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement, and will be made in addition to, and transferred separately from, the transfer of funds pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds.

2.4 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to State DHCS separately from, and simultaneous to, the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement. However, if any portion of the non-federal share IGTs is not expended for the specified rate increases stated in paragraph 2.2 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, DHCS shall return a proportionate amount of the 20-percent assessment fee to the County of Stanislaus.

3. Other Provisions

3.1 This Agreement contains the entire Agreement between the parties with respect to the 20-percent assessment fee on non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1, and supersedes any previous or

contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the transferring entity and State DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements may exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

3.2 Time is of the essence in this Agreement.

3.3 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

4. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify State DHCS' powers, authorities, and duties under federal and state law and regulations.

5. Approval. This Agreement is of no force and effect until signed by the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

County of Stanislaus:

By: Mary Ann Lee

Date: 9/15/14

Mary Ann Lee, Managing Director, County of Stanislaus Health Services Agency

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: [Signature]

Date: 10-24-14

Meredith Wurden, Acting Assistant Deputy Director, Health Care Financing

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL

BY Marc Hartley

DATE: 9-12-14

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and the County of Stanislaus with respect to the matters set forth below.

RECITALS

- A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14164 and 14301.4.
- B. Health Plan of San Joaquin is a Medi-Cal Managed Care Plan formed pursuant to Health and Safety Code Section 1349 et seq. Health Plan of San Joaquin is a party to a Medi-Cal managed care contract with DHCS, entered into pursuant to Welfare and Institutions Code section 14087.3, under which Health Plan of San Joaquin arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in the County.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The County of Stanislaus shall transfer funds to DHCS pursuant to section 14164 and 14301.4 of the Welfare and Institutions Code, up to a maximum total amount of One Million Nine Hundred Ten Thousand Three Hundred Seven-eight dollars (\$1,910,378), to be used solely as a portion of the nonfederal share of actuarially sound Medi-Cal managed care capitation rate increases for Health Plan of San Joaquin for the period January 1, 2013 through September 30, 2013 as described in section 2.2 below. The funds shall be transferred in accordance with a mutually agreed upon schedule between the County of Stanislaus and DHCS, in the amounts specified therein.

1.2 The County of Stanislaus shall certify that the funds transferred qualify for federal financial participation pursuant to 42 C.F.R. part 433 subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. For transferring units of government that are also direct service providers, impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

2. Acceptance and Use of Transferred Funds by DHCS

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the County of Stanislaus pursuant to this Agreement as intergovernmental transfers (“IGTs”), to use for the purpose set forth in section 2.2 below.

2.2 The funds transferred by the County of Stanislaus pursuant to this Agreement shall be used to fund a portion of the nonfederal share of increases in Medi-Cal managed care actuarially sound capitation rates described in paragraph (4) of subdivision (b) of section 14301.4 of the Welfare and Institutions Code and shall be paid, together with the related federal financial participation, by DHCS to Health Plan of San Joaquin as part of Health Plan of San Joaquin’s capitation rates for the period January 1, 2013 through September 30, 2013. The rate increases paid under section 2.2 shall be used for payments related to Medi-Cal services rendered to Medi-Cal beneficiaries. The rate increases paid under this section 2.2 shall be in addition to, and shall not replace or supplant, all other amounts paid or payable by DHCS or other State agencies to Health Plan of San Joaquin.

2.3 DHCS shall seek federal financial participation for the rate increases specified in section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge the State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services prior to the payment of any rate increase pursuant to section 2.2.

2.5 The parties agree that none of these funds, either the County of Stanislaus or federal matching funds will be recycled back to the County of Stanislaus's general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement and their provider agreement constitute patient care revenues.

2.6 Within One Hundred Twenty (120) calendar days of the execution of this Agreement, DHCS shall advise the County of Stanislaus and Health Plan of San Joaquin of the amount of the Medi-Cal managed care capitation rate increases that DHCS paid to Health Plan of San Joaquin during the applicable rate year involving any funding under the terms of this Agreement.

2.7 If any portion of the funds transferred by the County of Stanislaus pursuant to this Agreement is not expended for the specified rate increases under Section 2.2, DHCS shall return the unexpended funds to the County of Stanislaus.

3. Amendments

3.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

3.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in section 2 of this Agreement.

4. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States first class, certified or registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the County of Stanislaus:

Mary Ann Lee, Managing Director
County of Stanislaus Health Services Agency
830 Scenic Drive
Modesto, CA 95350

With copies to:

Carol Dunbar, CFO
County of Stanislaus Health Services Agency
830 Scenic Drive
Modesto, CA 95350

To DHCS:

Sandra Dixon
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., Suite 71-4002
MS 4413
Sacramento, CA 95814

5. Other Provisions

5.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal rate increases for Health Plan of San Joaquin described in section 2.2 that are funded by the County of Stanislaus and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the County of Stanislaus and DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements already exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

5.2 The nonenforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

5.3 Section 2 of this Agreement shall survive the expiration or termination of this Agreement.

5.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

5.5 Time is of the essence in this Agreement.

5.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

6. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under federal and state law and regulations.

7. Approval. This Agreement is of no force and effect until signed by the parties.

8. Term. This Agreement shall be effective as of January 1, 2013 and shall expire as of September 30, 2015 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

THE County of Stanislaus By: Mary Ann Lee Date: 9/15/14

Mary Ann Lee, Managing Director, County of Stanislaus Health Services Agency

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: Meredith Wurden Date: 10-24-14

Meredith Wurden, Acting Assistant Deputy Director, Health Care Financing

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL

BY

Marc Hartley

DATE: 9-12-14

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and the County of Stanislaus with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14164 and 14301.4.

B. Health Net of California, Inc. is a Medi-Cal Managed Care Plan formed pursuant to Health and Safety Code Section 1349 et seq. Health Net is a party to a Medi-Cal managed care contract with DHCS, entered into pursuant to Welfare and Institutions Code section 14087.3, under which Health Net arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in the County.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The County of Stanislaus shall transfer funds to DHCS pursuant to section 14164 and 14301.4 of the Welfare and Institutions Code, up to a maximum total amount of three million one hundred fifty-two thousand three hundred twenty dollars (\$3,152,320), to be used solely as a portion of the nonfederal share of actuarially sound Medi-Cal managed care capitation rate increases for Health Net for the period October 1, 2012 through September 30, 2013 as described in section 2.2 below. The funds shall be transferred in accordance with a mutually agreed upon schedule between the County of Stanislaus and DHCS, in the amounts specified therein.

1.2 The County of Stanislaus shall certify that the funds transferred qualify for federal financial participation pursuant to 42 C.F.R. part 433 subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. For transferring units of government that are also direct service providers, impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

2. Acceptance and Use of Transferred Funds by DHCS

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the County of Stanislaus pursuant to this Agreement as intergovernmental transfers ("IGTs"), to use for the purpose set forth in section 2.2 below.

2.2 The funds transferred by the County of Stanislaus pursuant to this Agreement shall be used to fund a portion of the nonfederal share of increases in Medi-Cal managed care actuarially sound capitation rates described in paragraph (4) of subdivision (b) of section 14301.4 of the Welfare and Institutions Code and shall be paid, together with the related federal financial participation, by DHCS to Health Net as part of Health Net's capitation rates for the period October 1, 2012 through September 30, 2013. The rate increases paid under section 2.2 shall be used for payments related to Medi-Cal services rendered to Medi-Cal beneficiaries. The rate increases paid under this section 2.2 shall be in addition to, and shall not replace or supplant, all other amounts paid or payable by DHCS or other State agencies to Health Net.

2.3 DHCS shall seek federal financial participation for the rate increases specified in section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge the State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services prior to the payment of any rate increase pursuant to section 2.2.

2.5 The parties agree that none of these funds, either the County of Stanislaus or federal matching funds will be recycled back to the County of Stanislaus's general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement and their provider agreement constitute patient care revenues.

2.6 Within One Hundred Twenty (120) calendar days of the execution of this Agreement, DHCS shall advise the County of Stanislaus and Health Net of the amount of the Medi-Cal managed care capitation rate increases that DHCS paid to Health Net during the applicable rate year involving any funding under the terms of this Agreement.

2.7 If any portion of the funds transferred by the County of Stanislaus pursuant to this Agreement is not expended for the specified rate increases under Section 2.2, DHCS shall return the unexpended funds to the County of Stanislaus.

3. Amendments

3.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

3.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in section 2 of this Agreement.

4. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States first class, certified or registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the County of Stanislaus:

Mary Ann Lee, Managing Director
County of Stanislaus Health Services Agency
830 Scenic Drive
Modesto, CA 95350

With copies to:

Carol Dunbar, CFO
County of Stanislaus Health Services Agency
830 Scenic Drive
Modesto, CA 95350

To DHCS:

Sandra Dixon
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., Suite 71-4002
MS 4413
Sacramento, CA 95814

5. Other Provisions

5.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal rate increases for Health Net described in section 2.2 that are funded by the County of Stanislaus and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the County of Stanislaus and DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements already exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

5.2 The nonenforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

5.3 Section 2 of this Agreement shall survive the expiration or termination of this Agreement.

5.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

5.5 Time is of the essence in this Agreement.

5.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

6. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under federal and state law and regulations.

7. Approval. This Agreement is of no force and effect until signed by the parties.

8. Term. This Agreement shall be effective as of October 1, 2012 and shall expire as of September 30, 2015 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

THE County of Stanislaus By: Mary Ann Lee Date: 9/15/14

Mary Ann Lee, Managing Director, County of Stanislaus Health Services Agency

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: Meredith Wurden Date: 10-24-14

Meredith Wurden, Acting Assistant Deputy Director, Health Care Financing

APPROVED AS TO FORM:
STANISLAUS COUNTY COUNSEL
BY

Marc Hartley
DATE: 9-12-14

Intergovernmental Transfers

Health Services Agency

September 9, 2014

A Complex Process of Obtaining Matching Federal Funds

- Leverage county incurred healthcare costs/funding to obtain available federal funds
- Involves Medi-Cal Managed Care Health Plans and the State Dept of Health Care Services (DHCS)
- Helps to offset uncompensated costs to balance the Health Services Agency (HSA) budget

continued...

- First time HSA pursued this was FY 2013/2014, obtaining available matching funds from the 2011/2012 “Rate Year” for Medi-Cal
- Supported by Health Executive Committee on July 23, 2013
- Approved by the Board of Supervisors on August 6, 2013
- Resulting Value to HSA in FY 2013/2014 was \$1.2 Million (only 1 of 2 health plans involved)

Fiscal Year 2014-2015

- Two IGTs for Rate Year 2012-2013 (Local Initiative Health Plan and the Commercial Medical Managed Care Plan)
 - Health Plan of San Joaquin
 - Health Net

Definition

Intergovernmental Transfers are exchanges of public funds between different levels of government

Common feature in State Financing

IGTs are allowed by both Federal and State Law

Medicaid Statute Sections 1902(a)(2) & 1903(w)(6)(A)

Code of Federal Regulations 42 CFR 433.51

California WIC Sections 14164 & 14301.4 – provides for the voluntary IGT program related to the Medi-Cal Managed Care Plans

Background

- For several years, CA. non-hospital counties participating in Medi-Cal Managed Care have entered into IGT agreements with the State Department of Health Care Services (DHCS) to help increase State payments to the Medi-Cal Managed Care health plans to help support the safety net health systems. The IGT consists of the transfer of county funds to DHCS and DHCS uses the funds to draw down additional federal funding from CMS.

Eligible Entities

- Must be an active Medi-Cal Managed Care provider

Eligible entities consist of the following:

- Counties
- Healthcare districts
- Other political subdivisions of the state

Calculations

- DHCS works with CMS on actuarially sound per member per month (pmpm) payment limits for the Managed Care plans (upper and lower limits)
- End of the Rate Year, the State calculates the difference between the actual rate paid to the plans and the upper limit approved by CMS (referred to as “headroom”)
 - IGTs for Rate Year 2012-2013 are as follows:
 - HPSJ – max. allowable approx. \$5.4 million
 - HN – 60% of max. allowable approx. \$6.2 million

Use of Funds

- The use of the funds must be used in support of the Medi-Cal Managed Care program.
 - Can't be used to return funds to the State nor the local governmental entity (other than the Medi-Cal healthcare provider = HSA)
 - Can't be used to purchase buildings or administrative duties already required

Timing

- State sends out notices to health plans (beginning in May through July) with 2 plan counties being the last
 - Managed Care Plans (Plans) contact eligible entities to determine interest
 - Eligible entities are required to submit a nonbinding letter of interest to the State
 - Plans work with eligible entities to determine the amount of the IGT funding per entity
 - Draft contracts are submitted to DHCS
 - Once DHCS approves the draft contracts the eligible entities have a deadline for submittal of executed contracts

Timing cont'd

- Once executed contracts have been received by the State, the State shares the contracts with CMS
 - After CMS approval – the State notifies the eligible entities regarding the deadline for submittal of the funds
 - Entities send the funds to DHCS (incl. Admin. Fee)
 - DHCS then matches the funding with Federal dollars
 - DHCS sends the funding to the Plans
 - Plans then forward the payments to the eligible entities (including the initial funds the eligible entities sent to DHCS for matching) less the Plan Admin. Fee

Calculations at a Glance

	IGT (Estimates)
Headroom to be used by County	12,000,000
Federal Matching Funds	6,000,000
Health Plan Fee and MCO	600,000
County Contribution	6,000,000
DHCS Admin Fee	1,200,000
Plan Payment to County	11,600,000
Federal Funds in plan payment	5,600,000
Federal Funds net of DHCS Fee	4,400,000

Recommendations

1. Authorize the HSA to pursue an Intergovernmental Transfer with the California Department of Health Care Services (DHCS)
2. Authorize the HSA Managing Director to negotiate and execute Intergovernmental Agreement regarding the transfer of Public Funds with the DHCS in the approx. amount of \$6 M and related documents
3. Authorize the HSA Managing Director to negotiate and execute an Intergovernmental Transfer Assessment Fee Agreement with DHCS in the amount of approx. \$1.2 M
4. Authorize the HSA Managing Director to negotiate and execute an amendment to the Health Plan-Provider Agreement with Health Net to disburse an approx. amount of \$6.2 M to the HSA to support health service for Medi-Cal beneficiaries and other underserved populations and any related documents

Recommendations cont'd

5. Authorize the HSA Managing Director to negotiate and execute an Amendment to the Health Plan-Provider Agreement with the Health Plan of San Joaquin to disburse an approx. amount of \$5.4 million to the HSA to support health services for Medi-Cal beneficiaries and other underserved populations, and any related documents
6. Authorize the HSA to pursue IGT arrangements for future fiscal years and enter necessary agreements