



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

950 Maidu Ave.
Nevada City, California
95959

Agency Director
Ryan Gruver

Telephone (530) 265-1627
Fax (530) 265-2295

Department Directors
Phebe Bell, MSW, Behavioral Health
Jill Blake, MPA, Public Health
Mike Dent, MPA, Child Support Services / Collections / Housing &
Community Services Division
Rachel Roos, LCSW, Social Services

NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: March 23, 2021

TO: Board of Supervisors

FROM: **Ryan Gruver**

SUBJECT: Resolution approving submission of a non-binding letter of intent to the California Department of Healthcare Services communicating Nevada County's intent to transition to a County Organized Health System and authorizing the Chair of the Board to sign the letter.

RECOMMENDATION: Authorize the Board Chair to sign the attached letter to the California Department of Health Care Services (DHCS) communicating Nevada County's intent to transition to a County Organized Health System (COHS).

FUNDING: A letter of intent would be non-binding and there is no fiscal impact with submitting a letter of intent. No budget amendment is needed, nor is there impact to the General Fund related to this item.

BACKGROUND:

Over the past several decades, California has implemented a variety of Medicaid (in California called "Medi-Cal") managed care models, including the County Organized Health System (COHS), the Two-Plan Model and the Geographic Model. In 2013, Medi-Cal managed care was expanded to twenty-eight California counties, including Nevada County. Many counties in Northern California sought to enter into the COHS model. The COHS model is generally regarded as offering counties the greatest amount of local control, with counties being directly responsible for governance of their respective plans, either alone or in combination with other counties. Prior to this expansion of managed care Partnership Health Plan, a COHS serving several Northern California counties, already had a strong reputation for high quality, access, and collaboration with counties and medical providers. Prior to the 2013 managed care expansion, many Northern California counties sought to join the COHS model under Partnership Health Plan. However, at the time DHCS restricted the number of counties allowed to enter into a COHS model, and assigned the remaining counties to the Regional Model, in which the state contracts with two for-profit plans to administer Medi-Cal benefits in a county. Nevada County, along with most other counties in our region, was assigned to the Regional Model and Anthem Blue Cross and California Health and Wellness were selected as our two Medi-Cal Managed Care Plans (MCPs). Nevada County

was not consulted by DHCS on its assignment to the Regional Model or on the procurement process that led to the selection of our two Medi-Cal MCPs.

In 2018, Senator Jim Nielsen requested, and the Joint Legislative Audit Committee approved, a state audit of DHCS' oversight of managed health care in the 18 small and rural counties under the Regional Model. In August of 2019, the State Auditor released a report entitled "Department of Health Care Services: It Has Not Ensured That Medi-Cal Beneficiaries in Some Rural Counties Have Reasonable Access to Care" that found:

- DHCS did not enforce state requirements that limit distances health plans may direct their Medi-Cal beneficiaries to travel to receive health services.
- DHCS failed to hold Regional Model health plans accountable for improving beneficiaries' access to care.
- Regional Model beneficiaries have generally received a lower quality of care than beneficiaries in other areas of the state.
- DHCS did not adequately educate Regional Model counties about the options available to them regarding their transition to managed care.
- DHCS was found to not have assisted Regional Model counties that wanted to create or join a County-Organized Health System (COHS), which may have provided beneficiaries with better access to care.

In addition, the audit report recommended that DHCS assist counties desiring a transition to COHS model in making that change after their current contracts expire.

Also, in 2019, the California Health Care Foundation performed an independent evaluation of the Regional Model and found the following:

- Specialty care is somewhat more difficult for Medi-Cal enrollees in Regional Model counties compared to other rural areas of the state.
- The quality of care provided to Medi-Cal enrollees by Regional Model MCPs was worse, on average, when compared to MCPs in other rural counties.
- Overall, Medi-Cal enrollee satisfaction with MCPs performance was lower in Regional Model counties relative to other rural areas of the state.

Pursuant to the State Auditor's recommendations, DHCS recently released information on the upcoming statewide procurement of commercial Medi-Cal MCPs and issued an instruction that all counties wishing to transition to a COHS should submit a letter of intent to DHCS by March 31, 2021. Nevada County HHSA has met with several counties in the region who are excited at the prospect of transitioning together into a COHS Medi-Cal Managed Care model with Partnership Health Plan. Additionally, HHSA has met with our local clinics, both hospitals, and other local stakeholders, all of whom are supportive of this transition.

Approved by: Ryan Gruver, Health & Human Services Agency Director