



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: September 27, 2022

TO: Honorable Board of Supervisors

FROM: Ryan Gruver, Director of Health and Human Services Agency

SUBJECT: Resolution executing a contract between the Department of Health Care Services and Nevada County that pertains to the Rate Range Intergovernmental Transfer (“IGT”): an agreement whereby Nevada County retroactively receives federal financial participation Medi-Cal funds to cover unreimbursed costs for previously provided, mandated services.

RECOMMENDATION:

Approve the attached Resolution.

FUNDING: The Health and Human Services Agency will receive Medi-Cal revenue as a result of a transfer of 1991 State Realignment funds to the Department of Health Care Services. The funds are included in the 22/23 budget. The state has provided an estimated transfer amount, when the full transfer amount is known a budget amendment will be prepared if needed. No County General funds are required.

BACKGROUND:

IGTs allow California counties that are covered by Medi-Cal managed care plans to secure federal matching funds to cover unreimbursed costs for services provided to Medi-Cal recipients. Nevada County participated in its first IGT in Fiscal Year 16/17. The process is as follows: the local government entity transfers funds to the Department of Health Care Services (“DHCS”); DHCS uses the funds to draw down unused federal matching funds to pay the County’s managed care plan partner. The managed care plan then pays the County the proceeds that the initial IGT fund transfer made possible. Because the transfer is matched with federal funds, the participating government provider

receives the amount of the transfer plus new funds, less administrative fees from the managed care plan. There is also an administrative fee charged by DHCS.

DHCS will use the estimated transfer amount of \$584,183 to increase the rate for services paid to Nevada County's managed care plans, California Health and Wellness and Anthem Blue Cross. Nevada County will also transfer \$116,837 to DHCS to cover the required administrative fee. The managed care plans pay the revenues they receive for participating in the IGT to the County less a 2% administrative fee. This payment represents an increased rate paid retroactively for services that Nevada County provided to California Health and Wellness and Anthem Blue Cross plan members in the previous fiscal year. The total estimated new revenue received by the County from California Health and Wellness and Anthem Blue Cross is \$1,140,861

The contract included with this item covers the transfer of funds from Nevada County to DHCS, and the administrative fee due to DHCS for operating the IGT program.

Through the IGT the County will be able to secure additional funds to cover costs that were previously subsidized by local government resources. Funds recovered through the IGT mechanism are discretionary as long as they are spent on health-related services.

It is recommended that the Board approve the attached resolution that authorizes Contract #21-10199 for Nevada County to participate in the IGT for the service period of January 1, 2021 through December 31, 2021.

Item Initiated and Approved by: Ryan Gruver, Director of Health and Human Services
Agency