



# RESOLUTION NO. 19-130

## OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

**RESOLUTION APPROVING EXECUTION OF AMENDMENT NO.1 TO TWO CONTRACTS BETWEEN THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (DHCS) AND THE COUNTY OF NEVADA THAT PERTAIN TO NEVADA COUNTY'S PARTICIPATION IN A RATE RANGE INTERGOVERNMENTAL TRANSFER ("IGT"): 1) CONTRACT NO. 16-93596 – INTERGOVERNMENTAL AGREEMENT REGARDING TRANSFER OF PUBLIC FUNDS AND 2) CONTRACT NO. 16-93609 – INTERGOVERNMENTAL TRANSFER ASSESSMENT FEE, WHEREBY NEVADA COUNTY RETROACTIVELY RECEIVES FEDERAL FINANCIAL PARTICIPATION MEDI-CAL FUNDS TO COVER UNREIMBURSED COSTS FOR PREVIOUSLY PROVIDED, MANDATED SERVICES (RES. 17-211)**

WHEREAS, Nevada County is eligible per California Welfare and Institutions Code Section 14164 and 14301.4 to participate in an Intergovernmental Transfer (IGT) for the purpose of providing support for the nonfederal share of risk-based payments to managed care health plans to enable the plans to compensate providers designated by the transferring entity for Medi-Cal health care services and for the support of the Medi-Cal Program; and

WHEREAS, on May 23, 2017, per Resolution 17-211 the Board of Supervisors of the County of Nevada approved the County's participation with the Department of Health Care Services (DHCS) for a Rate Range Intergovernmental Transfer for Fiscal Year 2016/2017 that required the execution of two agreements, 1) an IGT Transfer Agreement (No. 16-93596), and 2) an Assessment Fee Agreement (No. 16-93609), to implement the IGT; and

WHEREAS, the County and DHCS desire to amend the two IGT Agreements to extend the termination date in Agreement No. 16-93596 from June 30, 2019 to December 31, 2020, and to reflect the amendment to Agreement No. 16-93596 in Agreement, No. 16-93609, as amended.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Supervisors of the County of Nevada, State of California, that Amendment A1 to Agreement No. 16-93596 – Intergovernmental Agreement Regarding Transfer of Public Funds, extending the termination date to December 31, 2020, and Amendment A1 to Agreement No. 16-93609 – Intergovernmental Transfer Assessment Fee, to reflect the Amendment to Agreement No. 16-93596, by and between the County and the Department of Health Care Services, be and are hereby approved in substantially the form attached hereto, and that the Chair of the Board of Supervisors be and is hereby authorized to execute both Amendments on behalf of the County of Nevada.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 9th day of April, 2019, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Edward Scofield, Dan Miller, Susan K. Hoek and Richard Anderson.

Noes: None.

Absent: None.

Abstain: None.

ATTEST:

JULIE PATTERSON HUNTER  
Clerk of the Board of Supervisors

By: 



Richard Anderson, Chair

4/9/2019 cc: HHSA(5)  
AC\*(hold)

7/5/2019 cc: HHSA\*  
AC\* (Release)

**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 Nevada (GOVERNMENTAL FUNDING ENTITY) with respect to the matters set forth below.

**RECITALS**

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

B. The California Health and Wellness Plan (HEALTH PLAN) is a California corporation formed pursuant to Welfare and Institutions Code section 14087.54. HEALTH PLAN 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 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 GOVERNMENT FUNDING ENTITY shall transfer funds to DHCS pursuant to sections 14164 and 14301.4 of the Welfare and Institutions Code, up to a maximum total amount of three hundred eleven thousand three hundred forty-three dollars (\$311,343) for the period of July 1, 2016 through June 30, 2017, to be used solely as a portion of the nonfederal share of actuarially sound Medi-Cal managed care capitation rate increases for HEALTH PLAN for the period of July 1, 2016 through June 30, 2017 as described in section 2.2 below. The funds shall be transferred in accordance with a

mutually agreed upon schedule between the GOVERNMENTAL FUNDING ENTITY and DHCS, in the amounts specified therein.

1.2 The GOVERNMENTAL FUNDING ENTITY 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 GOVERNMENTAL FUNDING ENTITY 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 GOVERNMENTAL FUNDING ENTITY 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 as part of HEALTH PLAN’S capitation rates for the period of July 1, 2016 through June 30, 2017. 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.

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 GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to the GOVERNMENTAL FUNDING ENTITY'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 GOVERNMENTAL FUNDING ENTITY and HEALTH PLAN of the amount of the Medi-Cal managed care capitation rate increases that DHCS paid to HEALTH PLAN 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 GOVERNMENTAL FUNDING ENTITY pursuant to this Agreement is not expended for the specified rate increases under Section 2.2, DHCS shall return the unexpended funds to the GOVERNMENTAL FUNDING ENTITY.

### 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 GOVERNMENTAL FUNDING ENTITY:

**Michael Heggarty**  
County of Nevada  
Health and Human Services Agency  
950 Maidu Ave  
Nevada City, CA 95959  
Michael.heggarty@co.nevada.ca.us

With copies to:

~~Darlene King~~ **Ryan Gruver**, Chief Fiscal Administrative Officer  
**County of Nevada**  
Health and Human Services Agency  
950 Maidu Ave  
Nevada City, CA 95959  
~~Darlene.king@co.nevada.ca.us~~ **Ryan.Gruver@co.nevada.ca.us**

Email copies only to: andrea.sexton@co.nevada.ca.us

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  
Sandra.Dixon@dhcs.ca.gov

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 described in section 2.2 that are funded by the GOVERNMENTAL FUNDING ENTITY and supersedes any previous or contemporaneous oral or

written proposals, statements, discussions, negotiations or other agreements between the GOVERNMENTAL FUNDING ENTITY 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 Medical 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 July 1, 2016 and shall expire as of ~~June 30, 2019~~ December 31, 2020 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.

County of Nevada:

By: Richard Anderson Date: 4/9/2019

Richard Anderson, Chairman of the Board of Supervisors, County of Nevada

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: Jennifer Lopez Date: 5/14/19

Jennifer Lopez, Acting Division Chief, Capitated Rates Development Division



**INTERGOVERNMENTAL TRANSFER ASSESSMENT FEE**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“State DHCS”) and the COUNTY OF NEVADA (GOVERNMENTAL FUNDING ENTITY) 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 GOVERNMENTAL FUNDING ENTITY 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 16-93596 A1, 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 (CALIFORNIA HEALTH AND WELLNESS PLAN) for the period of July 1, 2016 to June 30, 2017.

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.

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, GOVERNMENTAL FUNDING ENTITY, 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 GOVERNMENTAL FUNDING ENTITY.

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 GOVERNMENTAL FUNDING 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.

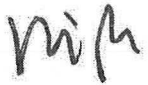
4. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify State DHCS' powers, authorities, and duties under federal and state law and regulations.

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 NEVADA:

By: 

Date: 4/9/2019

Richard Anderson, Chairman of the Board of Supervisors, County of Nevada

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: 

Date: 5/14/19

Jennifer Lopez, Acting Division Chief, Capitated Rates Development Division