



**NEVADA
COUNTY**
CALIFORNIA

Health and Human Services Agency

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: April 18, 2023

TO: Board of Supervisors

FROM: **Ryan Gruver**

SUBJECT: Resolution approving Amendment Two to the Agreement between Anthem Blue Cross (“PLAN”) and the County of Nevada for coordination of services, as part of Nevada County’s participation in a Rate Range Intergovernmental Transfer (“IGT”): a revenue agreement whereby Nevada County retroactively receives federal financial participation Medi-Cal funds to cover unreimbursed costs for previously provided, mandated services. (RES 20-404) (RES 20-497)

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. That transfer occurred on February 10th, 2023. This contract represents the revenue, estimated at \$523,774. Revenues were included in the Fiscal Year 2022/2023 County Budget. 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 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 transfer amount of \$268,201 to increase the rate for services paid to Nevada County’s managed care plan, Anthem Blue Cross. Nevada County also transferred \$53,640 to

DHCS to cover the required administrative fee. As a result of the attached amendment to the MOU with Nevada County, Anthem Blue Cross pays the revenue it receives 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 Anthem Blue Cross plan members in the previous fiscal year. The total estimated new revenue received by the County from Anthem Blue Cross is \$523,774

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.

This amendment adds a new section and term to the contract, but previous amendments and terms remain in place because they are still relevant to IGTs from prior years.

It is recommended that the Board approve the attached resolution that authorizes Nevada County to participate in the IGT for January 2021 - December 2021.

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