

HEALTH PLAN-PROVIDER AGREEMENT

MEMORANDUM OF UNDERSTANDING between CALIFORNIA HEALTH AND WELLNESS PLAN and County of Nevada for COORDINATION OF SERVICES

AMENDMENT NUMBER TWO

This Amendment is made this 23rd day of May, 2017 by and between CALIFORNIA HEALTH AND WELLNESS PLAN, a CALIFORNIA CORPORATION hereinafter referred to as "PLAN", and COUNTY OF NEVADA, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective DECEMBER 10, 2013; and PLAN and PROVIDER entered Amendment Number One of the Agreement effective DECEMBER 10, 2016, to expand the scope of programs to be coordinated under the terms of this Agreement; and

WHEREAS, Section 12 of such Agreement provides for amending such Agreement; and

WHEREAS, PLAN has executed or will execute a contract ("Medi-Cal Contract") with the Department of Health Care Services to provide or arrange for the provision of health care services to those Medi-Cal individuals who are assigned to PLAN ("Members") in the county or counties where PLAN is approved to operate under the terms of its Medi-Cal Contract ("Service Area"); and

WHEREAS, PROVIDER through its Nevada County Public Health Department is mandated by the State of California and federal laws to provide specific public health services to the residents of Nevada County who may be members or eligible to be members; and

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 COUNTY OF NEVADA (GOVERNMENTAL FUNDING ENTITY) 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:

Section 3 of the Memorandum of Understanding is revised to read as follows:

3. COMPENSATION

3.1 Except as otherwise stated herein, the program responsibilities and coordination of efforts conducted pursuant to the terms and conditions of this MOU shall be performed

without the payment of any monetary consideration by CHWP or COUNTY, one to the other.

The following is added as a new section 3.2 of the Memorandum of Understanding:

3.2 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 GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #16-93596 (“Intergovernmental Agreement”) effective for the period July 1, 2016 through June 30, 2017 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) The PLAN shall retain a 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 the provider’s proportionate share of the LMMCRR IGT payment made by PLAN in Nevada County.

(2) 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 current emergency room licensure status and not close its emergency room;

- (3) maintain its current inpatient surgery suites and not close these facilities.

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

PROVIDER shall notify the PLAN within five (5) business days after the funds referred to in the Intergovernmental Transfer Agreement have been transferred to DHCS.

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 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 for which the payments are received or subsequent State fiscal years.

- (2) For purposes of subsection (1) (b) above, if the retained LMMCRR IGT Payments, if any, 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 GOVERNMENTAL FUNDING ENTITY 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 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 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 Nevada 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 14 of the Memorandum of Understanding. 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 July 1, 2016 and shall terminate on September 30, 2019.

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

Section 14 of the Memorandum of Understanding is added to read as follows:

14. **DISPUTE RESOLUTION**

In the event of a dispute arising out of or in relation to the terms of this Agreement, the Parties agree to meet in good faith to settle the dispute through mutual consultation and/or other mutually agreed upon customary and available dispute resolution methods.

All other terms and provisions of said Agreement entered by and between the parties on December 10, 2013, and as amended in the First Amendment to the Agreement effective December 10, 2016, 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.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Amendment as of the first date set forth above.

SIGNATURES

HEALTH PLAN: California Health and Wellness Date: _____

By: Title: Chair, _____

PROVIDER: _____ Date: _____

By: Title: Chairman of the Board of Supervisors, County of Nevada
