



# COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

950 Maidu Ave.  
Nevada City, California  
95959

*Agency Director*  
**Michael Heggarty**

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

Department Directors  
Rebecca Slade, MFT, Behavioral Health  
Jill Blake, Public Health  
Tex Ritter, JD, Child Support Services / Collections / Housing &  
Community Services Division  
Mike Dent, MPA, Social Services

## NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

---

**MEETING DATE:** May 23, 2017

**TO:** Honorable Board of Supervisors

**FROM:** Michael Heggarty, Director of Health and Human Services Agency

**SUBJECT:** Resolution approving 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 #16-93596 – Intergovernmental Agreement Regarding Transfer of Public Funds and 2) Contract #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.

---

**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. A budget amendment will be forthcoming in fiscal year 17/18 when the expenditure details are finalized. No County General funds are required.

**BACKGROUND:** In January 2016, the Director of Health and Human Services presented an overview of the Rate Range Intergovernmental transfer to the Board of Supervisors, whereby the Board authorized the first step in the IGT process. Many California counties that are covered by Medi-Cal managed care plans have participated in IGTs to secure federal matching funds to cover unreimbursed costs for services provided to Medi-Cal recipients.

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 approved transfer amount of \$311,343 to increase the rate for services paid to Nevada County's managed care plan, California Health and Wellness. Nevada County will also transfer \$62,269 to DHCS to cover the required administrative fee. As a result of the related amendment to its MOU with Nevada County, California Health and Wellness pays the revenue it receives for participating in the IGT, estimated at \$622,686, 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 plan members in the previous fiscal year. The total estimated payment received by the County from California Health and Wellness is \$610,232.

The two contracts included with this item cover 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 executing the two agreements with the California Department of Health Care Services which will allow Nevada County to participate in the IGT for FY 2016-17.

**Item Initiated and Approved by:** Michael Heggarty, Director of Health and Human Services Agency