



# COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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## NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

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**MEETING DATE:** June 12, 2018

**TO:** Honorable Board of Supervisors

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

**SUBJECT:** Resolution approving execution of renewal Agreement #17-94753 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.

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**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 receipt of funds was anticipated and is included in the proposed 18/19 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 approved transfer amount of \$247,955 to increase the rate for services paid to Nevada County's managed care plan, California Health and Wellness. Nevada County will also transfer \$49,591 to DHCS to cover the required administrative fee. As a result of the attached amendment to the MOU with Nevada County, California Health and Wellness pays the revenue it receives for participating in the IGT, estimated \$495,910, 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 \$446,319.

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 Nevada County to participate in the IGT for FY 2017-18.

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