



COUNTY OF HUMBOLDT

For the meeting of: 2/6/2024

File #: 24-165

To: Board of Supervisors

From: DHHS: Administration

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Intergovernmental Agreements with the California Department of Health Care Services Regarding the Transfer of Public Funds

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the Department of Health and Human Services to transfer an additional \$673,216 to the California Department of Health Care Services no later than Feb. 23, 2024 pursuant to the terms and conditions of Intergovernmental Agreement Nos. IGT-21-10214 and IGT-22-0043;
2. Direct the Clerk of the Board to provide the Department of Health and Human Services - Contract Unit with one fully executed, certified copy of the Board Order related to this item.

SOURCE OF FUNDING:

Federal and State Medi-Cal; County Health Realignment

DISCUSSION:

As part of the fiscal year 2012-2013 state budget, the State of California authorized expansion of Medi-Cal managed care into counties that had previously provided Medi-Cal benefits on a fee-for-service basis only. On May 14, 2013, the Humboldt County Board of Supervisors (Board) adopted Ordinance 2501 authorizing the County of Humboldt to join the Partnership HealthPlan of California (PHC), a regional County Organized Health System model of Medi-Cal managed care. PHC began administering Medi-Cal managed care in Humboldt County on Sept. 1, 2013.

California Welfare and Institutions Code Sections 14164 and 14301.4 provide for a voluntary Intergovernmental Transfer (IGT) program. California counties participating in Medi-Cal managed care, including the County of Humboldt as a member of PHC, qualify for additional federal Medicaid funds for health services if they enter into IGT agreements with the California Department of Health Care Services (DHCS).

The Humboldt County Department of Health and Human Services (DHHS) is eligible to participate in

an IGT that draws down additional federal funds for the provision of Medi-Cal services in Humboldt County. The State of California and DHHS have existing contracts with PHC for calendar years 2021 and 2022 which makes DHHS eligible for IGT funds for calendar years 2021 and 2022. DHHS has participated in the IGT program for each of the previous 8 fiscal years.

On Dec. 7, 2021, the Board authorized DHHS to execute the attached calendar year 2021 intergovernmental transfer agreement with DHCS and transfer up to \$3,103,162 to DHCS (Attachment 1). Similarly, on Nov. 7, 2023, the Board authorized DHHS to execute the attached calendar year 2022 intergovernmental transfer agreement with DHCS and transfer up to Three-Million \$3,187,714 to DHCS (Attachment 2).

As stated in Section 1.3 of the intergovernmental agreements with DHCS, DHCS will reconcile estimated Medi-Cal enrollment with actual enrollment to determine the final amounts eligible for transfer. For calendar year 2021, enrollment was slightly higher than estimated, resulting in an opportunity to transfer an additional \$35,673 more than the amount the Board authorized on Dec. 7, 2021. For calendar year 2022, enrollment was again higher than DHCS estimated, resulting in an opportunity to transfer an additional \$637,543 more than the amount the Board authorized on Nov. 7, 2023.

Pursuant to the terms and conditions of the attached intergovernmental agreements with DHCS, DHHS is therefore required to transfer a total of \$3,860,930 in local funds for calendar years 2021 and 2022. The transfer must occur no later than Feb. 23, 2024.

The required transfers will be funded with realignment revenues received by DHHS. The transfer process will result in approximately \$3,629,274 in new funds to provide health services to Medi-Cal beneficiaries residing in Humboldt County.

FINANCIAL IMPACT:

Expenditures (1160-511)	FY23-24	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses	\$3,500,000.00	\$3,675,000.00	\$3,858,750.00
Total Expenditures	\$3,500,000.00	\$3,675,000.00	\$3,858,750.00
Funding Sources (1160-511)	FY23-24 Adopted	FY24-25 Projected*	FY25-26 Projected*
State/Federal Funds	\$3,500,000.00	\$3,675,000.00	\$3,858,750.00
Total Funding Sources	\$3,500,000.00	\$3,675,000.00	\$3,858,750.00

**Projected amounts are estimates and are subject to change.*

As noted above, the attached intergovernmental agreements with DHCS will require DHHS to transfer a total of \$3,860,930 in local realignment funds to DHCS no later than Feb. 23, 2024. Upon the receipt of the returned funds from the State of California to PHC, PHC will issue payment to DHHS in the anticipated amount of \$7,490,204. Of that amount, \$3,860,930 will offset the initial transfer while the remaining \$3,629,274 will be new revenue for the county.

The approved county budget for fiscal year 2023-2024 is \$3.5 million for revenue and expenses, the additional revenue of \$129,274 will carry forward to fiscal year 2024-2025 and be included in the proposed budget to cover additional eligible expenses. The transfer of funds will occur out of budget unit 1160-511 through a transfer line the returned funds will be deposited to this line item to offset the initial wire transfer. As a result, the recommended actions will not impact the Humboldt County General Fund.

STAFFING IMPACT:

The recommended actions will not impact current staffing levels.

STRATEGIC FRAMEWORK:

The recommended actions support the following areas of the Board of Supervisors' Strategic Framework:

Core Roles: Create opportunities for improved safety and health

New Initiatives: N/A

Strategic Plan: N/A

OTHER AGENCY INVOLVEMENT:

Partnership HealthPlan of California; Federal Centers for Medicare and Medicaid Services

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The board could choose not to approve the additional transfer of public funds to the California Department of Health Care Services. However, this alternative is not recommended as it will not allow DHHS to receive additional federal funds for health programs and services associated with the Medi-Cal managed care health plan.

ATTACHMENTS:

1. Intergovernmental Agreement with the California Department of Health Care Services Regarding the Transfer of Public Funds for Calendar Year 2021 (IGT-21-10214)
2. Intergovernmental Agreement with the California Department of Health Care Services Regarding the Transfer of Public Funds Calendar Year 2022 (IGT-22-0043)
3. Calendar Year 2021 Invoice
4. Calendar Year 2022 Invoice

PREVIOUS ACTION/REFERRAL:

Board Order No.: D-15; D-13

Meeting of: 12/7/2021; 11/7/2023

File No.: 21-1678; 23-1450