COUNTY OF HUMBOLDT

For the meeting of: 7/22/2025

File #: 25-848

To: Board of Supervisors

From: DHHS: Administration

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Intergovernmental Agreement with the California Department of Health Care Services Regarding the Transfer of Public Funds in the Amount of $4,900,000

RECOMMENDATION(S):

That the Board of Supervisors:

1. Waive the requirements of the Humboldt County Nuclear-Free Ordinance with regard to the attached intergovernmental agreement with the California Department of Health Care Services; and
2. Approve, and authorize the Department of Health and Human Services Director, or a designee thereof, to execute the attached intergovernmental agreement with the California Department of Health Care Services regarding the transfer of public funds in an amount not to exceed Four Million Nine Hundred Thousand Dollars ($4,900,000.00); and
3. Authorize the Department of Health and Human Services Director, or a designee thereof, to execute any and all subsequent amendments to, and any other agreements, certifications, attestations and documents directly associated with, the attached intergovernmental agreement with the California Department of Health Care Services, after review and approval by County Counsel, Risk Management and the County Administrative Office; and
4. Authorize the Department of Health and Human Services to transfer up to Four Million Nine Hundred Thousand Dollars ($4,900,000.00) to the California Department of Health Care Services, as directed thereby, in November 2025; and
5. Direct the Clerk of the Board to provide the Department of Health and Human Services - Contract Unit with on (1) fully executed, certified copy of the Board order related to this Item.

STRATEGIC PLAN:

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

Area of Focus: Safe & Healthy Communities
Strategic Plan Category: 1002- Remove barriers to quality healthcare

DISCUSSION:
As part of the fiscal year 2012-13 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 September 1, 2013.

Sections 14164 and 14301.4 of the California Welfare and Institutions Code 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 year 2024 which makes DHHS eligible for IGT funds for calendar year 2024. DHHS has participated in the IGT program for each of the previous ten (10) fiscal years.

Pursuant to the terms and conditions of the attached intergovernmental agreement with DHCS, DHHS will be required to transfer up to Two Million Eight Hundred Forty-Five Thousand Two Hundred Six Dollars ($2,845,206.00) in local funds, which includes Two Million Three Hundred Seventy-One Thousand Five Dollars ($2,371,005.00) in Humboldt County IGT funds and a twenty percent (20%) state administrative fee of Four Hundred Seventy-Four Thousand Two Hundred One Dollars ($474,201.00), to DHCS, as directed thereby, in November 2025. DHCS may include prior year adjustments to the final wire transfer letter which may result in the total to be transferred to be more than the amounts listed in the attached intergovernmental agreement. The required transfers will be funded with realignment revenues received by DHHS.

Upon receipt of the transferred funds, the State of California will increase PHC rate payments for calendar year 2024. The new payments will be made up of local transferred funds and new federal funds. After the above-referenced state administrative fees are deducted, PHC will receive the funds. PHC will deduct a three percent (3%) administrative fee and will distribute the remaining funds, which are estimated to total approximately Six Million Seven Hundred Forty-One Thousand Two Hundred Eighty-Seven Dollars ($6,741,287.00) to DHHS, as their contracted medical provider, for calendar year 2024. The transfer process will result in approximately Three Million Eight Hundred Ninety-Six Thousand Eighty-One Dollars ($3,896,081.00) in new funds to provide additional health services to Medi-Cal beneficiaries residing in Humboldt County.

SOURCE OF FUNDING:
Social Services Fund (1160-015)

FINANCIAL IMPACT:

Expenditures (1160-511)	**FY24-25**	**FY25-26**	**FY26-27 Projected***
Budgeted Expenses	$4,900,000.00	$3,500,000.00	$3,500,000.00
Total Expenditures	**$4,900,000.00**	**$3,500,000.00**	**$3,500,000.00**
Funding Sources (1160-511)	**FY24-25**	**FY25-26**	**FY26-27 Projected***
Fees/Other	$4,900,000.00	$3,500,000.00	$3,500,000.00
Total Funding Sources	**$4,900,000.00**	**$3,500,000.00**	**$3,500,000.00**

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

As noted above, the attached intergovernmental agreement with DHCS will require DHHS to transfer up to a total of Two Million Eight Hundred Forty-Five Thousand Two Hundred Six Dollars ($2,845,206.00) in local realignment funds to DHCS in November 2025. Upon the receipt of the returned funds from the State of California to PHC, PHC will issue payment to DHHS. It is anticipated that PHC will issue a payment in the amount of Six Million Seven Hundred Forty-One Thousand Two Hundred Eighty-Seven Dollars ($6,741,287.00). Of that amount, Two Million Eight Hundred Forty-Five Thousand Two Hundred Six Dollars ($2,845,206.00) will

offset the initial transfer while the remaining Three Million Eight Hundred Ninety-Six Thousand Eighty-One Dollars ($3,896,081.00) will be new revenue for the County of Humboldt.

The transfer of funds was included in the approved budget for fiscal year 2025-2026 at Four Million Nine Hundred Thousand Dollars ($4,900,000.00). The amount that was included in the budget is set at a higher rate to account for any adjustments from prior year agreements. The new revenue received by the County of Humboldt will be deposited to DHHS - Social Services budget unit 1160-511 and utilized to enhance Medi-Cal covered services.

STAFFING IMPACT:
Approval of the attached intergovernmental agreement with DHCS will not impact current staffing levels.

OTHER AGENCY INVOLVEMENT:
Partnership HealthPlan of California; Federal Centers for Medicare and Medicaid Services

ALTERNATIVES TO STAFF RECOMMENDATIONS:
The Board may choose not to approve the attached intergovernmental agreement with DHCS regarding the transfer of public funds. However, this alternative is not recommended because 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

PREVIOUS ACTION/REFERRAL:
Meeting of: 4/23/13
File No.: None