

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



FROM: Supervisors Buster and Tavaglione

SUBMITTAL DATE:
April 25, 2005

SUBJECT: Sixth Amendment to the Inland Empire Health Plan JPA Agreement

RECOMMENDED MOTION: That the Board take the following motions:

1. Approve the attached joint powers authority document establishing IEHP Health Access;
2. Execute the copies of the document;
3. Return the copies to the Office of County Counsel for further processing with San Bernardino County

BACKGROUND: In 1994, this board established the Inland Empire Health Plan, a joint powers authority, to provide the health plan administration for the members enrolled in the Medi-Cal managed care plan as legislated by the State.

Inland Empire Health Plan now has an enrollment of almost 300,000 members, the large majority of which are Medi-Cal members. Inland Empire Health Plan also has membership in non-Medi-Cal managed care plans including Healthy Families, Healthy Kids, and In Home Supportive Services for San Bernardino County.

[Continued on next page.]

Bob Buster

 Bob Buster, Supervisor 1st District

John Tavaglione

 John Tavaglione, Supervisor, 2nd District

Departmental Concurrence

Policy
 Consent
 Dept't Recomm.:
 Policy
 Consent
 Per Exec. Ofc.:

Prev. Agn. ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

District: Agenda Number:

3 . 2

The Department of Health Services in California, and the Centers for Medicaid and Medicare (CMS) in the federal government have recently reached agreement in the implementation of the Quality Improvement Fee (QIF) for all managed health plans in California. The QIF will impose an administrative fee of 6% to be assessed on all Medi-Cal members in all health plans in California.

These funds will be assessed by the Department of Health Services (DHS), a California State department. DHS will then apply a formula to the funds, and it is anticipated that DHS will then return 9% back to the healthcare plans.

The non-Medi-Cal membership in healthcare plans will not be subject to the assessment. Consequently, healthcare plans across the state are placing their Medi-Cal membership, and non-Medi-Cal membership into two separate companion healthcare plans so that they will only be assessed on their Medi-Cal membership.

IEHP Health Access is a proposed Joint Powers Authority designed to take the non-Medi-Cal membership of Inland Empire Health Plan. The JPA agreement provides that IEHP Health Access will have a management agreement for all administrative services with Inland Empire Health Plan, so that it is not necessary to set up a separate administrative body for IEHP Health Access.

The governing board of IEHP Health Access is proposed to be the same as for Inland Empire Health Plan.