

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

382



**FROM:** RCRMC

**SUBMITTAL DATE:**  
August 21, 2014

**SUBJECT:** Authorize payment of the Required County Match for the Supplemental Out-of-Network Hospital Payments Program (MCE-ONN) for the Low Income Health Program Districts – All [0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Authorize Riverside County Regional Medical Center to pay the Required County Match for the Supplemental Out-of-Network hospital payments (MCE-ONN) based on the distribution from the California Department of Health Care Services (DHCS) for FY11/12, FY12/13 and FY13/14.

**BACKGROUND:**

**Summary**

The Low Income Health Plan (LIHP) was a component of the federally approved five year "Bridge to Reform".

Section 1115 (a) Comprehensive Demonstration Project Waiver expanding health care coverage through December 31, 2013, to low income, uninsured adults who were not eligible for Medi-Cal or Health Families.

Departmental Concurrence

Lowell Johnson  
Interim CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$	\$	\$	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

<b>SOURCE OF FUNDS:</b> Hospital Enterprise Fund	<b>Budget Adjustment:</b> N/A
	<b>For Fiscal Year:</b> FY 14/15

**C.E.O. RECOMMENDATION:** APPROVE

BY:   
Debra Courmoyer

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Authorize payment of the Required County Match for the Supplemental Out-of-Network Hospital  
Payments Program (MCE-ONN) for the Low Income Health Program Districts – All [0]**

**DATE: August 21, 2014**

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**BACKGROUND:**

**Summary (continued)**

The program provided health care services for non-traditional Medi-Cal populations through the Medicaid Coverage Expansion (MCE) Program. By the end of the program on December 31, 2013, Riverside County HealthCare (RCHC) had enrolled more than 34,000 members.

Welfare & Institutions Code, Section 14169.7.5, established the LIHP MCE Out-of-Network (OON) Emergency Care Services Fund to fund the nonfederal share of supplemental LIHP expenditures for medically necessary hospital emergency services for emergency medical conditions and approved post-stabilization care provided by private hospitals that are outside of the relevant LIHP's network. Board approval will allow RCRMC to pay for the Intergovernmental Transfer (IGT) fee of \$1,022,554.68 for FY11/12, \$997,488.57 for FY12/13 and \$498,744.28 for FY13/14 for participation in the program. The IGT payments represent the participation fee required for the supplemental program for these three fiscal years.

The required county match for FY11/12 is \$3,595,051.55 and the total payment to the LIHP MCE OON hospitals is \$7,190,103.11. Once RCRMC makes the total payments to the MCE OON hospitals the DHCS will work with RCRMC to draw down the same amount of Federal Matching Dollars as the required county contribution in order to reimburse RCRMC. Once RCRMC receives the Federal match reimbursement from the DHCS, there will be no net costs to RCRMC for passing on the payments to LIHP participating MCE OON community hospitals. Future payments for this program for Fiscal Year 2012-13 and FY 2013-14 will follow this same process but will be at higher amounts for Fiscal Year 12-13 and Fiscal Year 13-14. We are also requesting authorization to make the County Match payments to the LIHP participating MCE OON hospitals required by the DHCS for FY 12-13 and FY 13-14 as well.

**Impact on Citizens and Businesses**

The community hospitals in Riverside County and other out of county participating hospitals will lose over \$30 million in supplemental State and Federal dollars needed for patient care services over these three fiscal years if the authorization for supplemental payments are not approved.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Each LIHP is obligated under Welfare & Institutions, Section 14169.7(g)(3) to make specified payments to each hospital listed, based on the OON inpatient days and emergency encounters reported by the LIHP to DHCS. The statute provides that the amount to be paid for each OON emergency or post-stabilization day or visit is to be determined by dividing the available funds by the number of days or visits. Based on information provided by the LIHPs, the State will provide to each LIHP the amount necessary to act as the non-federal share of the supplemental payments for OON services associated with its enrollees. The statute obligates Riverside County to make the supplemental payments within 30 days of receiving the non-federal share funding from DHCS. The supplemental payments paid to the private hospitals must supplement and may not supplant the amounts that should have been paid absent the provision of Welfare & Institutions Code, Section 14169.7.5.

DHCS will provide the payments to those private hospitals that provided emergency and post-stabilization services to RCHC enrollees during the July 1, 2012 through December 31, 2013 period. RCRMC will be reimbursed for the federal share of the payments through the normal LIHP claiming process.

**Contract History and Price Reasonableness**

On February 8, 2011, Board of Supervisors agenda item 3.27, authorized submission of the LIHP application to DHCS. The County received initial approval from DHCS on April 11, 2011. The approval by DHCS initiated the concurrent authorization and contract process, which continued until all program requirements were met.