

Departmental Concurrence

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



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
May 12, 2015

**SUBJECT:** Ratify the Low Income Health Program Host County Contract with Los Angeles County effective July 1, 2014 [All Districts; \$1,000; Enterprise Fund]

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

1. Ratify and authorize the Chairman to execute the Host County Contract between County of Riverside and County of Los Angeles for Riverside County's Low Income Health Program (LIHP) for payment of State LIHP administrative expenses effective July 1, 2014 through December 31, 2016; and
2. Authorize the Hospital CEO or designee to sign amendments that do not change the substantive terms of the agreement, as approved by County Counsel.

Zareh Sarrafian  
Chief Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
<b>COST</b>	\$ 500	\$ 500	\$ 1,000	\$ 0	
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>SOURCE OF FUNDS:</b> Hospital Enterprise Fund 100%				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> 14/15-16/17	

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

**APPROVE**

BY:   
Christopher M. Hans

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
Nays: None  
Absent: None  
Date: June 30, 2015  
xc: RCRMC

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

**Prev. Agn. Ref.:** 10/16/12; 3.37

**District:** ALL

**Agenda Number:**

**3-50**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11: Ratify the Low Income Health Program Host County Contract with Los Angeles County effective**  
**July 1, 2014 [All Districts; \$1,000; Enterprise Fund]**  
**DATE: May 12, 2015**  
**PAGE: 2 of 2**

**Background**

Riverside County's Low Income Health Plan (LIHP), known as Riverside County HealthCare (RCHC) provides a broad range of health care services to Riverside County residents who are: 1) between the ages of 19-64; 2) United States citizens or United States non-citizen nationals or qualified aliens as defined by Federal Law; 3) a or below 133% of the Federal Poverty Level; 4) non pregnant; and 5) are not eligible for Medi-Cal or Healthy Families. The Demonstration Project Waiver enables the County to shift the delivery model of health care from an episodic delivery system to a preventative care delivery system.

The Special Terms and Conditions of the Section 1115 (a) Comprehensive Demonstration Project Waiver stipulate that no State funding can be used to fund any portion of the LIHP. To reimburse the State for the Administrative costs associated with the LIHP, a Host County contract has been established between Department Health Care Services (DHCS) and Los Angeles County whereby Los Angeles County will reimburse DHCS for all state administrative costs and the Counties will subsequently reimburse Los Angeles County for each Counties individual responsibility.

**Impact on Residents and Businesses**

The Hospital, its site-based clinics and community-based clinics serve residents in all five Riverside County supervisorial districts. This service impacts the patients in Riverside County receiving care from Riverside County Regional Medical Center.

**Contract History and Price Reasonableness**

On October 16, 2012, agenda item 3.37, the Board of Supervisors approved the Host County Contract between the County of Riverside and Los Angeles County for Riverside County's LIHP for payment of State LIHP expenses for fiscal years 2012/13 and 2013/14. Although, the program has ended the county is responsible for payment to medical providers for services rendered through December 31, 2013. The medical providers had until December 31, 2014 to submit invoice for their services. Additional efforts were needed to complete the transition and claiming under the LIHP. The previous agreement covered the performance of fiscal intermediary/host county functions for DHCS and LIHP participating entities up to June 30, 2014, six months after the scheduled end of the LIHP. Because DHCS did not complete billing for the prior period to close out activities for the LIHP, DHCS has requested that the Host County agreement be re-established and extended.

This new agreement finalized by legal counsels of the State and Los Angeles County would be for the period of July 1, 2014 through December 31, 2016 and would allow DHCS to invoice and receive reimbursement for the non-federal share of its expenses incurred at the State level for the LIHP. The amount of allocated administrative expenses is consistent with the Agreement—as the distribution formula used to determine each participating entity's share of allowable state administrative expenses has two parts. Forty percent (40%) of the non-federal share of the State's budgeted costs shall be distributed in accordance with Part 1, and sixty percent (60%) of such costs shall be distributed in accordance with Part 2.

**Agreement Between**  
**County of Riverside**  
**and**  
**County of Los Angeles**

This Agreement is made and entered into by and between the County of Riverside, an entity that had participated in the Low Income Health Program ("LIHP") as part of California's Bridge to Reform section 1115(a) Medicaid Demonstration, hereinafter referred to as "Participating Entity" and the County of Los Angeles, hereinafter referred to as "Host County."

**WHEREAS**, Participating Entity desires to help fund a share of the California Department of Health Care Services' ("DHCS") Medicaid administrative costs related to administering the LIHP at the state level, by contracting with Host County;

**WHEREAS**, Participating Entity is prepared to provide its applicable share of such administrative expenditures incurred by DHCS under the terms and conditions set forth in this Agreement and pursuant to the distribution formula set forth in Exhibit 1;

**WHEREAS**, Host County is willing to collect and disburse to DHCS payments of Participating Entity's applicable nonfederal share of DHCS' LIHP-related administrative expenditures, and has or will enter into an Agreement with DHCS to make such payments ("DHCS Agreement").

**NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:**

**1. Host County Responsibilities**

A. DHCS shall invoice Host County for the actually incurred expenses for administering the LIHP from July 1, 2014 through December 31, 2015 and for previously uninvoiced amounts for prior periods, after receiving approval for such additional amounts from the LIHP Executive Committee. After receipt of such invoices from DHCS for actual LIHP-related administrative expenditures, Host County shall submit an invoice to Participating Entity for Participating Entity's portion of the non-federal share of DHCS' Medicaid administrative costs related to administering the LIHP. The invoiced amount shall be the Participating Entity's portion, as determined in accordance with the distribution formula set forth in Exhibit 1, of the non-federal share of actual costs billed by DHCS and approved by the LIHP Executive Committee pursuant to the Agreement with the California Department of Health Care Services for Administrative Services Related to the Low Income Health Program ("the DHCS Agreement"), attached hereto as Attachment A. Such invoice shall be sent to the person at the address set forth in Section 8.B below. For purpose of this Agreement, non-federal share shall mean the amount determined by multiplying the amount invoiced by DHCS by 1 minus the federal medical assistance percentage (FMAP). Such invoice may also include the amount due to Host County for its services, pursuant to Section 3.B below, or Host County may, at its discretion, issue a separate invoice for such amounts.

B. Host County shall create and maintain a County-Funded State Administrative Positions Trust Fund ("the LIHP Trust Fund") solely to hold funds received from Participating Entities and from Host County for purposes of fulfilling its obligations under this Agreement and the DHCS Agreement. Host County shall deposit all payments made pursuant to Section 3.A into such LIHP Trust fund.

C. Host County shall comply with all applicable laws and regulations governing the use of public funds in the collection and disbursement of funds for the LIHP Trust Fund pursuant to the terms of this Agreement.

D. Host County shall utilize the funds paid by Participating Entity under Section 3.A below to pay to DHCS the undisputed amounts owed under the DHCS Agreement. Such payments shall be made at the times and in the manner specified in the DHCS Agreement.

E. Host County shall prepare a status report which reconciles collections from Participating Entities and payments to DHCS with the approved budget, and shall distribute the report to each LIHP participating entity, the LIHP Executive Committee and DHCS.

F. Any remaining balance of a Participating Entity's payment in the LIHP Trust Fund not paid by Host County to DHCS on a particular invoice shall be carried forward and shall be applied to Participating Entity's required payment amount under Section 3.A of this Agreement for any other amount due to DHCS for LIHP administrative services or may be returned to Participating Entity at Host County's election. Upon termination of the DHCS Agreement, Host County shall reconcile and distribute any unused balance in the LIHP Trust Fund to Participating Entity in accordance with the distribution formula in Exhibit 1. If any amount in the LIHP Trust Fund is subject to dispute under Section 4 of the DHCS Agreement, then that amount shall not be distributed to Participating Entity until a final decision has been reached in the appeal.

G. Host County shall be the sole entity entitled to initiate, pursue, and resolve disputes relating to payment for DHCS activities undertaken to administer the LIHP, pursuant to Section 4.B. of the DHCS Agreement.

H. If authorized by the LIHP Executive Committee, Host County shall be the sole entity entitled to initiate, pursue, and resolve disputes relating to activities undertaken to administer the LIHP, pursuant Section 4.C. of the DHCS Agreement.

I. Host County shall comply with all Host County obligations set forth in the DHCS Agreement.

J. Host County agrees that it shall deposit into the LIHP Trust Fund amounts equal to Host County's share of the approved DHCS costs as determined in accordance with the distribution formula set forth in Exhibit 1 as well as any other funds owed by Host County to DHCS under the DHCS Agreement.

## **2. Limitations on Host County's Responsibilities**

A. Host County is the host entity only for the purposes of collecting and disbursing funds as set forth in this Agreement and pursuant to the 2010 Section 1115 Medicaid Waiver State of California County Funded State Demonstration Administrative Positions Policy ("the Policy") dated July 13, 2012, attached hereto as Attachment B, and the DHCS Agreement.

B. Host County shall not be responsible for producing claims, altering data or providing other materials related to Participating Entity's LIHP claims.

C. Host County shall not be financially responsible for paying the applicable nonfederal share of DHCS' LIHP-related Medicaid administrative costs for any Participating Entity which has failed to pay the total amount owed under this Agreement in a timely manner.

D. With the exception of audit exceptions arising from its own claims, Host County shall not be financially responsible for any audit exceptions relating to this Agreement.

## **3. Participating Entity Responsibilities**

A. Participating Entity shall pay Host County the applicable amount of the nonfederal share of DHCS Medicaid administrative expenditures related to the LIHP, in accordance with the distribution formula in Exhibit 1, within sixty (60) days of receipt of an invoice from Host County. Such payments shall relate to DHCS' Medicaid administrative costs for the LIHP for the period July 1, 2014 through December 31, 2015, and also may include administrative costs, if any, that were omitted from DHCS' previous invoice for prior demonstration periods, to the extent that such additional costs are approved by the LIHP Executive Committee.

B. Participating Entity shall pay Host County an annual fee in accordance with Exhibit 2 to compensate Host County for its responsibilities under this Agreement. Participating Entity agrees that Host County may use such funds in any manner required by law and is under no obligation to use such funds to make any payments due under the DHCS Agreement.

C. Participating Entity shall be responsible for the submission of its own LIHP claims, including any claims pursuant to Attachment J of the Special Terms and Conditions governing California's Bridge to Reform section 1115(a) Medicaid Demonstration.

D. Except as may be otherwise required by law, Participating Entity shall not be financially responsible for paying the applicable nonfederal share of DHCS's-related Medicaid administrative costs for Host County or any other Participating Entity which has failed to pay the total amount owed under the DHCS Agreement.

## **4. Enforcement**

The State of California, acting through DHCS, shall have the authority to enforce Participating Entity's obligations under Section 3 of this Agreement.

**5. Indemnification and Waiver of Liability**

A. The parties hereto shall indemnify, defend and hold one another, their officers, agents and employees harmless from and against any and all claims, losses, liabilities, damages, demands and actions (all collectively referred to as "liability" herein) arising out of each parties' respective performance of this Agreement, but only in proportion to and to the extent such liabilities are caused by or result from the negligent or intentionally wrongful act or omission of the indemnifying party, its officers, agents or employees.

B. Participating Entity hereby waives any claim against Host County for damages or any other remedy for any action, decision, or failure to act or decide by Host County, its officials, officers, employees, or agents in connection with its duties under Sections 1.G and 1.H above.

**6. Termination**

Host County may terminate this Agreement upon sixty (60) days written notice. Sections 1.C, 1.D. and 4 and 5 of this Agreement shall survive the termination of this Agreement. In the event that Host County terminates this Agreement, it shall be obligated to transfer any funds in the LIHP Trust Fund to whatever entity becomes the successor host county, and to provide a report to Participating Entity showing a reconciliation for the period from the end of the last reconciliation until the date of termination, of all revenue received under this Agreement and all disbursements made from the LIHP Trust Fund. Such reconciliation shall be due before the effective date of the termination.

**7. Effective Date of Agreement**

A. This Agreement shall be effective from the date of execution by the parties through December 31, 2016, unless extended as provided in Section 7.B below.

B. Host County has the option to extend this Agreement without a formal amendment, beyond the expiration date in Section 7.A above on a month-to-month basis, in the event that there is still outstanding payment to be collected from Participating Entity or paid to DHCS. Host County will send an advance written notice to Participating Entity and DHCS when this option is exercised.

**8. Notices.**

Unless otherwise specified above, any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed:

A. In the case of Host County, to:

Manal Dudar  
313 N. Figueroa Street, Room 505  
Los Angeles, CA 90013

mdudar@dhs.lacounty.gov

Or to such person or address as Host County may, from time to time, furnish to Participating Entity in writing.

B. In the case of Participating Entity:

Stephen Chu, Hospital Fiscal Officer  
Riverside County Regional Medical Center

26520 Cactus Ave.,

Moreno Valley, CA 92555

Schu@rivcormc.org

Or to such alternative person or address as Participating Entity may, from time to time, furnish to Host County.

## 9. Other Provisions

A. Amendment and Integration. This Agreement and any exhibits attached here, together with the Agreement entered into between Participating Entity and Host County dated October 29, 2012 to constitute the entire agreement among the parties to it and supersede any prior or contemporaneous understanding or agreement with respect to the parties' rights and responsibilities in connection with the payment and funding of DHCS' administrative activities related to the LIHP. In the event of a conflict between the terms of the earlier agreement between the parties and this Agreement, the terms of this Agreement shall prevail. Except as specified above, no amendment to this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto

B. Third Party Beneficiaries. Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

D. Authority to Execute. Each party hereby represents that the person executing this Agreement on its behalf is duly authorized to do so.

**"Participating Entity"**  
**Duly Authorized**

COUNTY OF RIVERSIDE

Signed By Marion Ashley  
MARION ASHLEY

Printed Name: \_\_\_\_\_

Date: JUN 30 2015

BY: ANITA C. WILLIS 5-26-15  
DATE

ATTEST:  
KECIA HARRER-IHEM, Clerk  
By Kellington  
DEPUTY

## **Exhibit 1**

### **DISTRIBUTION FORMULA**

The distribution formula used to determine each participating entity's share of allowable state administrative expenses has two parts, set forth below. The total amount due from each participating entity is the sum of the amounts determined under Part 1 and Part 2. Forty percent (40%) of the non-federal share of the State's budgeted costs shall be distributed in accordance with Part 1, and sixty percent (60%) of such costs shall be distributed in accordance with Part 2.

Part 1: Each Participating Entity and the Host County, shall pay an equal share, determined by multiplying the non-federal share of the approved annual budgeted amount by .4, and then dividing that amount by the total number of participating entities plus the host county.

Part 2: Each Participating Entity and the Host County shall pay a proportionate share determined by multiplying the non-federal share of the approved annual budgeted amount by .6 and then multiplying that amount by a ratio, the numerator of which is the number of people in the geographic area serviced by the Participating Entity that are between 0-133% of the federal poverty level (FPL) and the denominator of which is the total number of people in the geographic areas of all Participating Entities and the Host County who are between 0-133% of FPL.

To the extent that invoiced and paid amounts exceed the amounts due to DHCS under the DHCS Agreement, such unpaid amounts shall be assigned to each Participating Entity using the same formula as is described above.

**Exhibit 2**

**COMPENSATION PAYMENT TO HOST COUNTY**

1. Services for the Period July 1, 2014 through June 30, 2015

Amount: \$500

2. Services for the Period July 1, 2015 through June 30, 2016

Amount: \$500

3. Services for the Period July 1, 2016 through December 31, 2016

Amount: \$0.00

Host County reserves the right to waive collection of some or all of the listed fees as shown above.

**Attachment A**  
**Agreement with the California Department of Health Care Services for Administrative**  
**Services Related to the Low Income Health Program**

**AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF  
HEALTH CARE SERVICES FOR ADMINISTRATIVE SERVICES  
RELATED TO THE LOW INCOME HEALTH PROGRAM (LIHP)**

This Agreement is between the California Department of Health Care Services ("DHCS") and the County of Los Angeles (collectively, "Parties") with respect to the matters set forth below.

**WITNESSETH:**

**WHEREAS**, this Agreement is made pursuant to the authority of Welfare and Institutions Code §§ 15911(c) and (j) and 14182.3(e);

**WHEREAS**, DHCS is the single state agency responsible for administering California's Bridge to Reform section 1115(a) Medicaid Demonstration ("the Demonstration");

**WHEREAS**, the Special Terms and Conditions (STCs) for the Demonstration set forth the applicable time periods for each Demonstration Year (DY). The completion of the final DY pursuant to the STCs does not alter or otherwise limit the obligations created under this Agreement.

**WHEREAS**, it is necessary and desirable that DHCS perform or contract for the performance of administrative services related to the administration of the Low Income Health Program ("LIHP") at the state level;

**WHEREAS**, under the Demonstration, entities eligible for participation in the LIHP include a county, city and county, consortium of counties serving a region consisting of more than one county, or health authority ("Participating Entities");

**WHEREAS**, a group representing the Participating Entities, known as the LIHP Executive Committee, has been constituted to provide certain oversight and administrative review functions;

**WHEREAS**, the County of Los Angeles participated in LIHP in its individual capacity ("Individual Capacity") as a Participating Entity;

**WHEREAS**, the County of Los Angeles also acted separately as the LIHP host county ("Host County");

**WHEREAS**, Host County is willing to continue to serve as the Fiscal Intermediary and be responsible for making payments to DHCS for the costs associated with DHCS' administration of the LIHP under the Demonstration;

**WHEREAS**, DHCS has issued the 2010 Section 1115 Medicaid Waiver State of California County Funded State Demonstration Administration Positions Policy ("the Policy") dated July 12, 2012, which is attached hereto as Attachment A for reference, but is not incorporated as a term of this Agreement;

**WHEREAS**, pursuant to the Policy and in accordance with this Agreement, the LIHP Executive Committee is responsible for reviewing and approving DHCS expenditures associated with administration of the LIHP;

**WHEREAS**, in addition to the expenditures covered by the Policy, DHCS has incurred expenses related to the Medi-Cal Eligibility Data System ("MEDS") for which individual Participating Entities are responsible, to varying degrees.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

**1. Services to be Performed by DHCS.**

A. DHCS shall administer the LIHP at the state level. DHCS' administrative services shall be provided in a professional and diligent manner. Should the scope of work or services to be performed under this Agreement conflict with DHCS' responsibilities as the single state agency for Medicaid in California, the single state agency responsibilities shall take precedence.

B. DHCS shall complete an annual budget and submit it to the LIHP Executive Committee by a date agreed upon by DHCS and the LIHP Executive Committee. The annual budget shall identify all costs on a category level associated with each proposed position for the DY as well as any appropriate other costs. The template for this budget is attached as Exhibit 1 to the Policy (Attachment A).

C. DHCS shall submit a Semi-Annual Report to the LIHP Executive Committee by the last business day of July and January of each applicable DY. This Report shall include a six-month prospective workload analysis (Exhibit 2 to the Policy) and six-month retrospective workload description (Exhibit 3 to the Policy) for each position identified in Exhibit 1 to the Policy (the annual budget). The content of these reports shall be consistent with the requirements set forth in the Policy (Attachment A).

D. Should DHCS anticipate the need for additional costs and or additional staff during the current DY beyond what has been identified in the approved DY annual budget, it shall submit a written proposal to the appropriate LIHP Executive Committee consistent with the requirements set forth in the Policy.

E. If a request is made by the LIHP Executive Committee in the context of a dispute between DHCS and the LIHP Executive Committee regarding the appropriateness of a budgeted, county-funded position, DHCS shall complete a sample time-study for the position in question in

accordance with the requirements and procedures set forth in the Policy. Such time study would be performed on a prospective basis. Except under the specific circumstances identified in the Policy under the section labeled Staffing Position Disputes and Payment Adjustments as allowing for retroactive modifications, all modifications in allowable positions based on such time studies shall be made prospectively only.

F. DHCS shall also determine the amount it expended on MEDS related activities on behalf of the County of Los Angeles acting in its Individual Capacity. Such amount shall not duplicate any expenditure in the approved DY annual budget. DHCS shall negotiate in good faith and obtain the County of Los Angeles' approval of the amount of MEDS related activity costs assigned to it. Expenditures for MEDS related activities do not require approval of the LIHP Executive Committee.

G. DHCS shall submit invoices to the Host County including amounts due for regular administrative activities. Consistent with Section 3 below, such invoices shall be issued in arrears and reflect the expenditures made during the prior period for activities and expenses in the approved budget.

H. DHCS shall claim and retain FFP based on the total expenditures incurred in performing the administrative activities reported in Exhibit 1 to the Policy.

## **2. Services to be Performed by Host County.**

A. Host County shall enter into agreements with other Participating Entities, as defined above, for payment of DHCS' approved expenses. Host County shall have no obligation to bring an action against any Participating Entity which either fails to enter into an agreement for the payment of DHCS' approved expense, or fails to pay some or all of its share of such amounts. Host County shall collect from such other Participating Entities, and shall contribute its own allocated share of such expenses, and deposit the same into a Trust Fund established for this purpose.

B. Host County shall pay DHCS from the Trust Fund established pursuant to the agreements between the Participating Entities and the Host County the nonfederal share of DHCS' invoices for expenditures under this Agreement if the invoices are approved as being in accordance with the annual approved budget. In no event, however, shall Host County have an obligation to pay any amount in excess of the funds available in the Trust Fund.

C. Nothing in this Agreement shall preclude Host County from claiming its administrative expenditures under Attachment J of the Special Terms and Conditions governing the Demonstration, but Host County shall not claim FFP for the expenditures incurred by DHCS under the process described in the Policy.

D. Host County shall complete an annual report which, at a minimum, reconciles payments to DHCS with the approved annual budget, and shall distribute the report to DHCS and all other Participating Entities.

**3. Payments.**

**A. Payment Amounts**

- (1) Host County shall pay DHCS the nonfederal share of approved invoices for actual administrative costs associated with filled positions and other costs after the cost is incurred by DHCS. For purposes of this Agreement "nonfederal share" shall mean the amount determined by multiplying the federally allowable expenditure by 1 minus the percentages specified in 42 U.S.C. Section 1396b(a). Host County shall not be obligated based on the terms of this agreement to make payment for DHCS' administrative costs incurred prior to June 30, 2011 or after December 31, 2015, except for approved Mercer actuarial services related to the LIHP. The Parties may extend the period during which services were provided by amending this Agreement under Section 8 below.
- (2) Payments to DHCS for any DY shall not exceed costs identified in the DHCS DY annual budget (Exhibit 1 to the Policy), unless additional amounts are otherwise approved by the LIHP Executive Committee. In no event shall payment be made by Host County for any invoice or portion thereof exceeding this amount.
- (3) The payments made to DHCS by Host County shall represent the nonfederal share of Medicaid administrative expenditures incurred by DHCS related to the LIHP and shall constitute compliance with Welfare and Institutions Code §§ 15911(j) and 14182.3(e).

**B. Schedule of Invoices**

- (1) DHCS shall submit invoices to the Host County, with a copy sent simultaneously to the LIHP Executive Committee. These invoices must be sent to the Host County in accordance with the schedule agreed upon by DHCS and the Host County. Invoices may be submitted by mail or by e-mail to an individual designated by Host County to receive such invoices.
- (2) Subject to the provisions of Section 2A above, Host County shall compensate DHCS for the applicable approved costs in Exhibit 1 to the Policy within one hundred eighty (180) days of receipt of invoice from DHCS. Each payment shall be based upon the DHCS expenditures set forth in Exhibit 1 to the Policy.
- (3) If DHCS does not submit the budget or semi-annual reports in accordance to the timeframes established in Sections 1.B or 1.C of this Agreement, then Host County may withhold payments on any invoice relating to the budget, or semiannual report that has not been submitted,

in accordance with the established timeframes until such item is submitted by DHCS.

**4. Dispute Resolution Process.**

**A. Host County**

- (1) Host County shall contract with all other Participating Entities to establish Host County as the sole entity entitled to initiate, pursue, and resolve on behalf of the other Participating Entities, disputes relating to payment for activities undertaken to administer the Demonstration as discussed in Section 4.B. below.
- (2) The LIHP Executive Committee may authorize Host County as the entity entitled to initiate, pursue, and resolve on behalf of the LIHP Executive Committee, disputes relating to activities undertaken to administer the Demonstration as discussed in Section 4.C. below.

**B. Payment/Invoice Dispute**

- (1) If a dispute arises between Host County and DHCS regarding payment for activities undertaken to administer the Demonstration, the Host County must seek resolution using the procedure outlined below in lieu of any other administrative appeal.
- (2) Host County shall first contact the Section Chief or a designee of the DHCS Branch under which the position or item in dispute is located informally to discuss the dispute. If the dispute cannot be resolved informally, the Host County shall submit a written Notification of Dispute, together with any supporting evidence, within the time specified in subsection (3) below, to the Division Chief.
- (3) Host County shall submit by mail or e-mail a Notification of Dispute and supporting documentation within sixty (60) days of receiving the invoice in dispute. Failure to mail or e-mail a written Notification of Dispute within sixty (60) days shall bar all claims arising out of the invoice. For purposes of determining the timeliness of the submission, the Notification of Dispute shall be considered submitted on the date that it is received.
- (4) The Notification of Dispute shall include the information specified in subsection 4.D (1) below. The Division Chief shall render a written decision within ten (10) working days after receipt of the written Notification of Dispute from Host County. The decision shall provide the reasons therefore, and shall include the name, address and e-mail address of the Deputy Director with whom an appeal may be filed. If the Host County disagrees with the Division Chief's decision, Host

County may appeal to the appropriate Deputy Director of DHCS as outlined in subsection (5) below.

- (5) To appeal a Division Chief's decision, Host County shall, within ten (10) working days of receipt of the Division Chief's decision, submit by mail or e-mail a written appeal to the Deputy Director of the Division under which the position or item in dispute is located. The appeal shall state the reasons for disagreement with the Division Chief's decision and include a copy of Host County's original Notification of Dispute, any supporting evidence submitted with the original Notification of Dispute, and a copy of the Division Chief's decision. The Deputy Director or his/her designee may, in his/her discretion, meet with the Host County's designated representative to review the issues raised. A written decision signed by the Deputy Director or his/her designee shall be mailed to Host County within twenty (20) working days of receipt of Host County's appeal, unless the Parties agree that the time may be extended. The Deputy Director's written decision shall be the final administrative review of the dispute, subject to judicial review as otherwise permitted by law.
- (6) Notwithstanding the submission and status of any Notification of Dispute or subsequent appeals, Host County shall continue payment to DHCS (including payment on matters identified in the Notification of Dispute), and DHCS shall continue performing activities undertaken to administer the Demonstration.
- (7) Notwithstanding subsection (6) above, if DHCS fails to meet the deadlines for decisions set forth in subsections (4) and/or (5), then Host County may discontinue payment of the disputed portion of the invoice until DHCS fulfills its obligations under this Section 4.B or the dispute is resolved, whichever is earlier.
- (8) In the event that the Division Chief or the Deputy Director determines that an expense paid by Host County pursuant to subsection (6) above was not due and owing to DHCS, then DHCS shall promptly refund the amount overpaid, or shall provide a credit against any future amounts due under this Agreement. Host County shall have the right to decide whether to receive a refund, or to receive a credit against future amounts owed.

**C. Administrative Activity Dispute**

- (1) If a dispute arises between DHCS and the LIHP Executive Committee regarding activities undertaken to administer the Demonstration, resolution of the dispute shall be in accordance with the procedures outlined below.

- (2) A dispute under this subsection C is limited to the following topics:
  - (i) Annual budgets.
  - (ii) Semiannual reports (including retrospective work schedules).
  - (iii) Midyear requests for additional positions.
- (3) If a dispute arises under this section, the Section Chief of the DHCS Division under which the subject matter of the dispute is located, or his or her designee, shall informally discuss the problem with an authorized representative of the LIHP Executive Committee or the Host County if the Host County is authorized by the LIHP Executive Committee to represent the LIHP Executive Committee in the dispute. If the dispute is not resolved informally, the Division Chief or designee shall submit by mail or e-mail a written Notification of Dispute, together with any evidence, to the LIHP Executive Committee or Host County as appropriate. The Notification of Dispute shall include the information specified in subsection 4.D (2) below. A representative of the LIHP Executive Committee or the Host County, if requested, will meet and confer with the Division Chief or his/her designee in attempt to resolve the dispute. If that meeting does not result in a resolution of the dispute, the Deputy Director of that Division under which the position or topic of dispute is located may request an opportunity to meet and confer with a representative of the LIHP Executive Committee or Host County as appropriate in an attempt to resolve the dispute. Such request shall be granted.
- (4) If the dispute cannot be resolved using the process outlined in subsection 4.C. (3), the dispute shall be submitted in writing to the Director of DHCS for consideration. The Director's written decision shall be the final administrative review of the dispute, subject to judicial review as otherwise permitted by law.

D. Notifications of Dispute

- (1) For disputes relating to payment for activities undertaken to administer the Demonstration, the Notification of Dispute shall state, on the basis of the most accurate information then available to the Host County, all of the following:
  - (i) The information contained in the invoice that is the subject of the dispute.
  - (ii) The identification of any documents and the substance of any oral communications involved in the disputed invoice. Copies of all

identified documents shall be attached to the Notification of Dispute.

- (iii) The factual and/or legal reasons that Host County is disputing the invoice.
  - (iv) The cost impact that is directly attributable to the disputed invoice, and the remedy sought.
- (2) For disputes regarding an activity undertaken to administer the Demonstration, a Notification of Dispute shall state, on the basis of the most accurate information then available to the party raising the dispute, all of the following:
- (i) The information contained in the annual budget, semiannual report, or midyear request for additional positions that is the subject matter of the dispute.
  - (ii) The identification of any documents and the substance of any oral communications related to the dispute. Copies of all documents identified shall be attached to the Notification of Dispute.
  - (iii) The factual and/or legal reasons the party is disputing the activity.
  - (iv) The cost impact raising the dispute that is directly attributable to the disputed activity.
  - (v) If no cost impact is involved, the desired remedy.

##### **5. Relationship of Parties.**

It is expressly understood that this is an agreement between independent entities and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent is to create an independent contractual relationship.

##### **6. Non-Discrimination.**

DHCS agrees that no person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, ARC, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this agreement.

**7. Assignments and Subcontracts.**

A. This Agreement is not assignable in whole or in part by either party without the written consent of the other party.

B. DHCS shall not employ consultants or subcontractors to carry out the responsibilities undertaken pursuant to this Agreement without written consent of the LIHP Executive Committee.

**8. Amendment of Agreement.**

This Agreement is complete and contains all the terms and conditions agreed upon by the Parties relating to payments for DHCS' administrative activities related to the LIHP. Except as may be provided in Section 9 below, no amendment shall be valid unless made in writing and signed by the Parties hereto, and no oral understanding or agreement shall be binding on the Parties hereto. The Parties acknowledge and agree that DHCS may, with the concurrence of the LIHP Executive Committee, modify the Policy contained in Attachment A without the consent of Host County, so long as such modification does not expand or materially modify Host County's obligations under this Agreement.

**9. Extension of Agreement.**

The Parties, by mutual agreement memorialized in any form of writing, may extend this Agreement beyond the expiration date in the event that there are still outstanding payments to be made pursuant to Section 3A (1), or Section 16 of this Agreement.

**10. Records.**

A. Upon written notice, DHCS agrees to provide to Host County or any federal or state department having monitoring or reviewing authority, access to and the right to examine and audit its applicable records and documents for compliance with relevant federal and state statutes, rules and regulations, and this Agreement.

B. DHCS shall maintain and preserve all records relating to this Agreement for a period of three (3) years from the termination date of this Agreement, or until audit findings are resolved, whichever is later.

**11. Compliance with Applicable Laws.**

All services to be performed by DHCS pursuant to this Agreement shall be performed in accordance with all applicable federal and state laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, § 504 of the Rehabilitation Act of 1973, as amended. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

**12. Notice/Controlling Law**

A. Unless otherwise specified above, any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed:

- (1) In the case of Host County, to:

County of Los Angeles – Health Services  
Attn.: Manal Dudar, Expenditure Manager  
313 N. Figueroa Street, Room 505  
Los Angeles, CA 90012  
mdudar@dhs.lacounty.gov

- (2) County of Los Angeles – Health Services  
Attn: Kathy K. Hanks, CPM  
Director, Contracts and Grants Division  
313 N. Figueroa Street, 6<sup>th</sup> Floor East  
Los Angeles, CA 90012  
khanks@dhs.lacounty.gov

Or to such person or address as Host County may, from time to time, furnish to DHCS.

- (3) In the case of DHCS, to:

California Department of Health Care Services  
Low Income Health Program Division  
Attention: Division Chief  
1501 Capitol Avenue, Suite 71.3034  
P.O. Box 997419, MS 4519  
Sacramento, California 95899-7419

Or to such person or address as DHCS may, from time to time, furnish to Host County.

B. The validity of this Agreement and of its terms or provisions, as well as the right and duties of the Parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

**13. Term of the Agreement.**

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2014 through December 31, 2016, unless extended pursuant to Section 9 above for purposes of completing the payments. Either party may terminate this agreement by delivering written notice of termination to the other party at least thirty (30) days prior to the effective date of termination. Notice shall be addressed to the respective Parties as identified in Section 12 above.

**14. Mutual Hold Harmless.**

It is agreed that DHCS shall defend, save harmless, and indemnify Host County, its officers, employees, and agents from any and all claims, liability, loss or expense (including reasonable attorney fees) for injuries or damages to any person and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent or intentional acts or omissions of DHCS, officers, employees or agents. It is further agreed that the Host County shall defend, save harmless, and indemnify DHCS its officers, employees, and agents from any and all claims, liability, loss or expense (including reasonable attorney fees) for injuries or damages to any person and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent or intentional acts or omissions of Host County, officers, employees or agents.

**15. Severability.**

If any term, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

**16. MEDS Costs**

A. DHCS incurred MEDS related costs specific to the County of Los Angeles in its Individual Capacity in connection with the operation of the LIHP and the transition of LIHP enrollees into State-based insurance affordability programs. Such MEDS related costs were not incurred in connection with the County of Los Angeles' activities in its capacity as Host County. All terms and conditions specified in this Section 16 pertain solely to the County of Los Angeles in its Individual Capacity and do not pertain to the County of Los Angeles in its capacity as Host County. All terms and conditions in this Agreement apply to this Section 16 and apply to the County of Los Angeles in its Individual Capacity, except the following sections:

(1) Section 1 (with the exception of subsection F), Section 2, Section 3, and Section 4.

B. MEDS related costs pursuant to this Agreement pertain to the entry of enrollee eligibility data into MEDS, including Resource Access Control Facility Identification (RACFID) costs, and transactions to facilitate the transition of eligible LIHP enrollees into the Medi-Cal program and Covered California.

C. In full consideration of DHCS' performance of MEDS related services, the amount the County of Los Angeles in its Individual Capacity shall be obligated to pay DHCS for MEDS related services shall be \$17,324.51.

D. The County of Los Angeles shall compensate DHCS for MEDS related services within sixty (60) days of receipt of an invoice from DHCS.

**17. Entire Agreement/Amendment.**

This Agreement and any exhibits attached hereto constitute the entire agreement among the Parties related to the subject matter of this Agreement for the term covered by this Agreement and supersede any prior or contemporaneous understanding or agreement dealing with the same subject matter and term.

**18. Other Provisions.**

A. The non-enforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

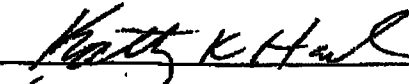
B. Except as specified in this Section 17.B, nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement, except the LIHP Executive Committee.

C. Time is of the essence in this Agreement.

D. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute this Agreement. Each party represents and warrants to the other that the execution of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF LOS ANGELES IN ITS CAPACITY AS HOST COUNTY AS WELL AS IN ITS INDIVIDUAL CAPACITY AS A PARTICIPATING ENTITY

Signed By: 

Printed Name: Mitchell H. Katz, M.D.

Date: March 3, 2015

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

Signed By: 

Printed Name: Robert Baxter [name of signer]

Date: 3/24/15

**Attachment B**  
**2010 Section 1115 Medicaid Waiver State of California County Funded State**  
**Demonstration Administrative Positions Policy**



State of California  
Department of Health Care Services

Attachment A

Section 1115 Medicaid Waiver State of California County Funded State Demonstration Administrative  
Positions Policy

*2010 Section 1115 Medicaid Waiver  
State of California County Funded State Demonstration Administrative Positions Policy  
July 13, 2012*

The following document outlines the structure for reimbursement of the State of California positions and contract costs associated with administration of the Low Income Health Program (LIHP), Delivery System Reform Incentive Program (Incentive Program), transition of Seniors and Persons with Disabilities (SPDs) to managed care, and other (includes legal and other positions which are not assigned to one specific area of the 2010 Section 1115 Medicaid Waiver). This document represents a process for entities (e.g., designated public hospital, county, city and county, consortium of counties, health authority) that are participating in the waiver (Waiver Entities) and the Department of Health Care Services (DHCS) to account for 1) the work being completed by DHCS for the administration of the waiver, and 2) the nonfederal share of Medicaid administrative expenditures incurred by DHCS related to the waiver pursuant to requirements in State law. This process is only intended to be a method to account for, and reimburse, these administrative expenditures. It is not the intent of this document or process to confer any rights or responsibilities to the Waiver Entities to oversee or control the determination of the amount, type, or methods of work that is completed by DHCS to administer the waiver.

***LIHP HOST County***

A HOST County will be established to facilitate payments from Waiver Entities to the DHCS, for costs associated with the administration of the LIHP.

***Non-LIHP Related Costs***

DHCS will invoice Waiver Entities directly for costs associated with the administration of the Incentive Program, SPD transition to managed care, and other (as described above).

***Governing Body***

Under this proposal, two Executive Committees will be established as the governing bodies which will oversee communications between the HOST County or Waiver Entities, as applicable, and DHCS. The DHCS will be provided with the opportunity to review the charters for each Committee.

An annual budget would be submitted to the Governing Body each year for approval. Actual costs on a quarterly basis will be invoiced against that budget.

#### LIHP Executive Committee

The LIHP Executive Committee is comprised of one representative from CAPH; one from the California State Association of Counties (CSAC); one from the County Health Executives Association of California (CHEAC); one from the County Medical Services Program (CMSP); one from the Los Angeles County Department of Health Services (LAC DHS); and one from each of two California counties which have implemented a LIHP including a representative from one urban and one suburban county.

This Committee is responsible for reviewing and approving semiannual reports submitted by DHCS (see Meetings with the Executive Committee and Reports section below), the annual "Positions and Other Costs Document (see Completion of Demonstration Year Positions and Other Costs Exhibit section below)," and any requests for increases or decreases in annual costs/staffing positions, which pertain to DHCS administration of the LIHP.

An annual budget will be submitted by DHCS to the LIHP Executive Committee and actual costs will be invoiced against the annual approved budget.

CAPH, in addition to Committee membership, will be responsible for the initial review of any report or document which is provided to the Committee by DHCS.

Composition of the LIHP Executive Committee may change at the beginning of each Demonstration Year (DY), if necessary.

#### Waiver Administrative Positions Executive Committee (excluding LIHP)

The Waiver Administrative Positions Executive Committee is comprised of one representative from CAPH; and members of the public hospital Policy and Technical Advisory Committee (PTAC) or a subset of the members.

This Committee is responsible for reviewing and approving semiannual reports submitted by DHCS (see Meetings with the Executive Committee and Reports section below), the annual "Positions and Other Costs Document (see Completion of Demonstration Year Positions and Other Costs Exhibit section below)," and any requests for increases in annual costs/staffing positions, which pertain to DHCS administration of the Incentive Program, SPD transition to managed care, and other (for example, legal).

An annual budget will be submitted by DHCS to the Waiver Administrative Positions Executive Committee and actual costs will be invoiced against the annual approved budget.

CAPH, in addition to Committee membership, will be responsible for the initial review of any report or document which is provided to the Committee by DHCS.

Composition of the Waiver Administrative Positions Executive Committee may change at the beginning of each DY, if necessary.

#### DHCS Reporting

##### Completion of Demonstration Year Positions and Other Costs Exhibit (see Exhibit 1)

Exhibit 1 will be completed annually by DHCS and submitted to the relevant Executive Committee for approval. Information reported in the Exhibit will identify all costs on a category level (i.e., salary, benefits, and indirect) associated with each proposed position for the DY. It will also identify any "other costs," for example, a contract with Mercer for specified services.

##### Meetings with the Executive Committee and Reports

DHCS staff will submit a Semiannual Report to the Executive Committees which will include a six-month prospective workload analysis (see Exhibit 2) and six-month retrospective review of work accomplished (see Exhibit 3) for each position identified in Exhibit 1. Retrospective information reported should include accomplishments, deliverables, technical assistance provided to Waiver Entities, and other work efforts as suggested by the Executive Committees during their initial meeting in DY 7 (and as agreed upon with DHCS).

Reports will be completed in July and January. The Executive Committee will have the opportunity to review and submit questions related to the prospective and retrospective work for each position identified in Exhibit 1.

The Committees are also responsible for monitoring waiver-related work completed by DHCS throughout the DY. A Committee may request a meeting with the appropriate Branch and Section Chiefs at DHCS if the Committee identifies work reflected in the prospective workload analysis that does not appear to be on schedule for completion. Such meeting requests will be granted if they are reasonably limited to accommodate the schedules of the State officials.

##### Changes to DHCS Staffing Requests from Approved DY Exhibit 1 & Increases in Original Projected Costs

##### Increase in Annual Costs/Additional Staff

Should DHCS anticipate the need for additional costs/staff during the current DY beyond what has been identified in the approved DY Exhibit 1, it will submit a written proposal to the appropriate Executive Committee which will identify what the additional costs/staff are, the reason for the new costs/staffing positions not being previously identified, why the additional costs/staff are needed, and any other areas, as determined by the Executive Committees during their initial meeting in DY 7 (and as agreed upon with DHCS).

A majority of the appropriate Executive Committee must approve the increase in costs request.

Costs identified in the DY Exhibit 1 will be considered to be a maximum reimbursement for Waiver Entities unless otherwise approved by the appropriate Executive Committee.

##### Staffing Position Disputes and Payment Adjustments

Should a dispute occur between DHCS and a particular Executive Committee regarding the appropriateness of reimbursement for a previously approved county-funded position, a sample time-study will be completed by DHCS for the position in question if a request is made by the Committee. Such time study would be performed on a prospective basis and may result in an adjustment to a payment for a prior period and/or for a subsequent period, as applicable. However, except for adjustments resulting from a prior DY, the reimbursement amount for the DY will be determined according to the prospective calculation of the necessary workload and positions for each DY as reflected in Approved Exhibit 1 and in Form 1 discussed below (allowable adjustments are listed below).

The retrospective review of work accomplished (see Exhibit 3) will be completed to assist with the prospective justification and calculation of reimbursement for the following DY. If the Semiannual Report on the work accomplished by a particular FTE position indicates that the individual was not predominantly assigned to waiver work, reimbursement will not be altered in that DY as long as DHCS can demonstrate that the necessary waiver-related work identified in the County Funded State Positions Report, Form 1, for the prior six months was completed. Reimbursement for a position will also not be disputed if the waiver-related work completed by an individual FTE differs from the work specified in the associated Form 1 for that DY. DHCS maintains all authority to determine what work is necessary to administer the waiver and to make necessary adjustments to work tasks relating to the waiver. Reimbursement will not be disputed as long as the retroactive accounting of the total waiver-related work for the DY, and associated positions, reflects at least the total number of FTEs projected.

A retrospective adjustment to reimbursement will only occur if, with respect to the projected waiver-related work for a particular individual's FTE (Person A), 1) person A did not spend the number of hours reported in Form 1 on waiver-related work, 2) the work not completed by person A was not completed by another DHCS employee, and 3) the work was not replaced by other, priority waiver work completed by another DHCS employee. An adjustment will be made in the subsequent DY to credit the Waiver Entities in a dollar amount equal to the percentage of that position's salary and other costs which was not dedicated to waiver related work (all three factors must be present for an adjustment to be allowable). This percentage would be determined by discussion and agreement between the Executive Committee and DHCS after a review of any documentation submitted by DHCS. This method recognizes that there would be other employees whose positions were not identified on Form 1 whose efforts contributed to the completion of the waiver work. Any dispute regarding appropriate payment will be addressed as set forth below. DHCS shall notify the appropriate Committee in writing at any point that DHCS is aware that a particular individual's FTE meets conditions 1 and/or 2 above.

This method of reimbursement calculation and justification is viable because the work associated with the waiver is stable and predictable. The method is also necessary because DHCS has no alternate or back-up funding source to replace county funding that could be lost through a mid-year adjustment to reimbursement based on the retrospective work review. This method also recognizes that there is a significant amount of waiver implementation work that has been done, and will be done, by managers, supervisors, and line staff that will not be reimbursed by the Waiver Entities because the work does not constitute the predominance of the person's FTE work.

#### Payments

Waiver Entities will be responsible to pay to the State (either directly for applicable non-LIHP related costs or through the Host County for applicable LIHP-related costs) an amount equal to the nonfederal share of costs associated with positions and contract costs identified in Exhibit 1 for DY 7 and future DYs, and will not be invoiced for costs incurred prior to June 30 2011, with the exception of Mercer actuarial services related to SPD IGT project and preparation for the LIHP actuarial work. These costs will be identified in DY 6 Exhibit 1, as approved by the appropriate Executive Committee.

Distribution of LIHP-related costs for each DY amongst applicable Waiver Entities will be addressed in the agreements between the Host County and such entities. Upon receipt of an invoice from the Host County, each LIHP Waiver Entity will be required to pay the Host County its designated share of the nonfederal share of costs associated with positions and contract costs approved in Exhibit 1 for each applicable DY in accordance with the requirements set forth in the Waiver Entity's agreement with the Host County.

Upon receipt of an invoice from DHCS, each Waiver Entity will be required to pay DHCS its designated share of the nonfederal share of costs associated with positions and contract costs approved in Exhibit 1 for each applicable DY within sixty (60) days of receipt of the invoice.

#### Schedule of Invoices

A schedule for invoicing from DHCS to the HOST County will be created at the beginning of each DY and approved by DHCS and the HOST County. Invoices for LIHP-related costs will be sent according to the determined schedule and the payment provisions in the agreement between the HOST County and DHCS. The payment provision of the agreement between the HOST County and DHCS will also address timelines for payment and methods to address late payment. A schedule of invoices for non-LIHP related costs will be created at the beginning of each DY and approved by DHCS and the Waiver Administrative Positions Executive Committee.

#### Resolution of Disputes

Any disputes related to the payments, invoices, or administrative activities discussed in this Policy related to the administration of the LIHP will be resolved pursuant to the Dispute Resolution Process set forth in the agreement between the LIHP Host County and DHCS.

Any disputes related to the payments, invoices, or administrative activities discussed in this Policy related to the administration of the Incentive Program, SPD transition to managed care, and other (as described above) will be resolved as follows. The Waiver Administrative Positions Executive Committee and DHCS will attempt to resolve any dispute using the administrative review process set forth in the agreement between the LIHP Host County and DHCS. If necessary pending the outcome of that administrative review process, the applicable Waiver Entities or DHCS will have the right to judicial review as otherwise permitted by law.

#### Maximum Payment from Waiver Entities

Waiver Entities will reimburse DHCS for the nonfederal share of administrative costs associated with positions and other costs after the cost is incurred by the State. Reimbursements will be

limited to the nonfederal share of actual costs incurred (total expenditures x 50% or other applicable Federal Medical Assistance Percentage rate). Waiver Entities will not be responsible for payment for unfilled positions. If DHCS does not submit a semi-annual report in accordance with the timeframes established above (see Meetings with the Executive Committee and Reports section), payment for the subsequent time-period may be withheld until the semi-annual report is submitted by DHCS. If DHCS submits a semi-annual report in accordance with the timeframes established above that does not contain all the information required under this Policy, payment related to the missing information in the report may be withheld until the complete semi-annual report is submitted by DHCS.

***Claiming Federal Financial Participation (FFP) for Administrative Expenditures***

The reimbursement paid to DHCS as discussed in this Policy will represent the nonfederal share of Medicaid administrative expenditures incurred by the State related to the waiver. DHCS shall claim and retain FFP based on the total expenditures incurred in performing the administrative activities reported in Exhibit 1. Payment under this process shall represent compliance with *Welf. & Inst. Code* §§ 15911(c), 14182.15(g); 14182.3(e); 14182.4(f), as applicable.

**Note:** LIHPs may receive FFP for the costs of Medicaid administrative activities incurred by the LIHP or a related governmental entity in accordance with the protocol approved by the Centers for Medicaid and Medicare Services as Attachment J to the Special Terms and Conditions or the 2010 section 1115 Medicaid Waiver, but shall not claim FFP for the expenditures incurred by DHCS under the process discussed in this Policy.

**Exhibit 1**  
**State of California Estimated Waiver Administrative Costs - Positions**

1. Demonstration Year (DY) 7 Administrative Position Costs  
 Please complete the table below with information about each State of California, Department of Health Care Services (DHCS), requested position for DY 7 which will be funded by counties in California, as applicable, for administration of the following programs associated with the 2000 California Section 311.5 Medi-Cal Waiver LHA, DSP, SPD transition to managed care, and other (for example, legal).

State of California Demonstration Year 7 Administrative Position Costs				
Waiver Position Administrative Position Description				
1	2	3	4	5
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				

**Exhibit 1**  
**State of California Estimated Waiver Administrative Costs - Other**

**2. Demonstration Year (DY) 7 Other Administrative Costs**

Please report any additional administrative costs classified as "Other" for which counties will be responsible during DY 7. For example, a contract for actuarial work.

	Description of Other Administrative Costs (For example: Waiver SDB contract)	Funding Level and Source	Additional Number of DYs Funding May be Needed
1			
2			
3			
4			
5			
6			
<b>Total</b>		\$	

**Exhibit 1**

**State of California Estimated Waiver Administrative Costs  
Projected Costs for Future Demonstration Years**

3. **Projected Waiver Costs for Demonstration Year (DY) 7 and Future DY's**  
Please report estimated costs associated with county waiver funded administrative positions and other costs for the State of California for DY 7 and future DYs. You should include all categories for "Position Costs" which were reported on the State of CA DY 7 Admin Pos Costs tab and "Other Costs" reported on the St of CA DY 8 Other Admin Costs tab.

Demonstration Year	Projected Funding (total completed)
DY 6 (Nov 2010 - June 2011)	\$ -
DY 7 (July 2011 - June 2012)	\$ -
DY 8 (July 2012 - June 2013)	\$ -
DY 9 (July 2013 - June 2014)	\$ -
DY 10 (July 2014 - Oct 2015)	\$ -

**Exhibit 2**  
**Six-Month Prospective Workload Analysis**

**WORKLOAD ANALYSIS [SAMPLE]**  
**Safety Net Financing Division**  
**(4) Associate Governmental Program Analyst**  
**Limited Term**  
**Coverage Expansion and Enrollment Demonstration Project**

Activity	Number of Items	Avg. Hrs. per Item	Total Annual Hours
Process quarterly IGTs, CPE, and capitation rate payments based on estimated enrollment data and final reconciliation with actual enrollment data for CEED projects. Monitor monthly enrollment levels.	224	8	1792
Develop tracking system and monitor quarterly CEED IGT payments.	224	4	896
Develop operational processes and procedures for the reimbursement of nonfederal share of administrative and staffing costs related to CEED projects. Review and monitor reimbursement of administrative costs by CEED projects. Prepare reports on status and maintain documentation required to reconcile payments.	Annual	1,000	1,000
Develop 56 CEED contracts and contract amendments including the payment of staffing costs to reimburse DHCS the nonfederal share. Provide customer support to CEED projects and stakeholders, and provide resolutions regarding the payments and reimbursement of administrative costs.	Annual	1,000	1,000
Develop tracking system for budget neutrality expenditure limit including amount of actual expenditures. Calculate estimated budget neutrality annually as product of number of eligible member months reported. Track budget neutrality savings to determine action required if amounts fall below required levels.	Annual	1,000	1,000
Develop and maintain files and supporting documentation required in the payment processes to CEED projects and reimbursement of nonfederal share to DHCS. Develop and maintain files for financial and operational reviews of CEED projects, submit summaries of these reviews of CEED projects to CMS.	224	4	896
Implement and track new payment mechanisms for incentive payments for CEED projects.	Annual	528	528
<b>Total hours for workload projected for this classification</b>			<b>7,112</b>
<b>1,778 hours = 1 PY</b>			
<b>Actual number of PYs requested</b>	<b>4.0 PYs</b>		<b>7,112</b>

**Exhibit 3**  
**Six-month Retrospective Review of Work Accomplished**  
**Form 1**

The State of California, Department of Health Care Services (DHCS), will complete Form 1 (included below) on a semi-annual basis during each Demonstration Year (DY), beginning DY 7. Each completed Form will be submitted to the appropriate Executive Committee (i.e., Low Income Health Program (LIHP), or Waiver Administrative Positions, Executive Committee). They will be submitted by the last business day of the month in September and March in a timely manner. DHCS will invoice the HOST County for the nonfederal share associated with actual costs relating to these reports each quarter in accordance with a prospective budget that will be submitted annually in the DY Positions and Other Costs Exhibit (Exhibit 1).

The purpose of Form 1 is for DHCS to report the work completed for each county-funded State position that is identified in Exhibit 1. It is a retrospective description of actual work completed during the prior six-month period and will be approximately two pages in length for each position; however, the appropriate Executive Committee may request additional information should it feel the information provided was not adequate.

The first component of the Form will list the type of waiver-related tasks completed, by line item, and the percentage of the position's time that was used for each type of task. The second component will be a narrative with more specific detail regarding the accomplishments, technical assistance provided to counties, and other areas as determined by the applicable Executive Committee during its initial meeting in DY 7. If a substantial portion of the position's projected waiver-related work, as stated in Form 1, was completed by another position during the six-month reporting period, regardless of whether this position is county-funded, this will also be reported on the second component of the Form, however, it will be reported under a separate and new line item.

**Form - Work Accomplishments**

**County Funded Positions**

Please describe for each county funded position listed on Exhibit 1 for the applicable DY, how work activities identified in the Workload Analysis (see Exhibit 2) were/were not accomplished during the prior six-months. Also describe other work completed as a part of the county-funded work which was not specified in the Workload Analysis for the six-month period. You should provide a detailed description of the work products completed, for example, number of payments made, types of technical assistance provided, or legal review of X number of documents. The work accomplishments described in the table below should not be limited to an overview of the work completed but rather reflect a more detailed explanation as described above regarding the two-component report's contents. The appropriate Executive Committee may request additional information should it feel the information provided was not adequate.

Waiver Position Area	Position Title	Position Description	Work Accomplishments	Narrative Description of Work Accomplishments

**Other Administrative Costs**

Please describe for each "Other Administrative Costs" listed on Exhibit 1 for the applicable DY, work activities accomplished and total costs associated with the work for the prior six-month period. You should specify the work products completed, for example, data collected to create a rate model from X number of counties, or eligibility and enrollment rules engine developed including steps taken to achieve the final product. The work accomplishments described in the table below should not be limited to an overview of the work completed but rather reflect a more detailed explanation as described above regarding the two component report's contents. In instances where a contract between DHCS and an external entity exists, these costs would be associated with the contract deliverables, which should be documented according to the provisions of the contract between DHCS and the contractor. The overview of the work completed in this Form will align with the contract methodology for documenting work performed; however, in this case and others, the appropriate Executive Committee may request additional information should it feel the information provided was not adequate.

Description of Funding	Total Cost for Six-Month Period	Work Accomplishments	Narrative Description of Work Accomplishments