

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



ITEM
3.42
(ID # 7627)

MEETING DATE:
Tuesday, July 31, 2018

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER: Ratification and Approval of Intergovernmental Agreement Regarding Transfer of Public Funds and Intergovernmental Transfer Assessment Fee with the State of California, Department of Health Care Services for Senate Bill 208 (SB 208) Intergovernmental Transfer; District - All; [\$32,933,353 Total]; Hospital Enterprise Fund.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Intergovernmental Agreement Regarding Transfer of Public Funds (IGT) and Intergovernmental Transfer Assessment Fee with the State of California, Department of Health Care Services ("Agreements") listed in Table A below and authorize the RUHS-MC CEO to execute the same on behalf of the County; and
2. Approve payment of Inter-governmental transfers (IGTs) to the State Department of Healthcare Services related to these Agreements.


ACTION:


Jennifer Cruikshank, Chief Executive Officer - Health System 7/19/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington and Perez
Nays: None
Absent: Ashley
Date: July 31, 2018
xc: RUHS-Medical Center

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Net Revenue Agreement; Advance made from Hospital Enterprise Fund - 40050			Budget Adjustment: No	
			For Fiscal Year: 17/18	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Riverside University Health System-Medical Center (RUHS-MC) requests ratification and approval of Intergovernmental Agreement Regarding Transfer of Public Funds and Intergovernmental Transfer Assessment Fee with State of California, Department of Health Care Services ("Agreements") that will allow it to take advantage of a program designed to compensate designated public hospitals for certain Medi-Cal expenses. Under the Agreement, the Medical Center would transfer \$32,933,353 to the State of California and will receive an estimated \$89,671,279 back, an estimated net positive return of \$56,737,926.

TABLE A

	Agreement Number	Agreement
1	Contract #17-94803	Intergovernmental Agreement Regarding Transfer of Public Funds

Senate Bill 208 (Chapter 714, Statutes 2010) provides for a voluntary Intergovernmental Transfer (IGT) program relating to Medi-Cal Managed Care services provided by designated public hospitals (DPH). The purpose of the IGT program is to provide funding to preserve and strengthen the availability and quality of services provided by DPHs and their affiliated public providers specifically to Medi-Cal enrollees. Each IGT will be made directly from RUHS to the Department of Health Care Services (DHCS). DHCS will use the payments to apply for federal matching funds. Then return payment shall be made, together with the related federal financial participation, by DHCS to Inland Empire Health Plan (IEHP) and Molina Healthcare of California (Molina) in part for capitation rates for the designated fiscal year. Subsequently, RUHS-MC will receive gross payments from IEHP and Molina. IF federal matching funds are not available in whole or in part for some reason DHCS returns the funds directly to RUHS.

To exercise its option to participate in these voluntary IGT programs, the County must submit the appropriate IGT agreements. The form of the Agreement is the same of all participating DPH's and the typical turn-around time is two weeks or less. For that reason the CEO of RUHS

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has signed Agreements in the past, subject to ratification by this Board. For the same reason RUHS is seeking authority for the CEO to do the same in the future, relating to these programs.

The current IGT payment opportunity available to RUHS-MC is related to Fiscal Year 2018. Transfer payments are anticipated to be made by 11/09/2018, as established by DHCS:

	IGT Payment	Amount received	Net Revenue
MCE Rate Range	\$ 32,933,353	\$ 89,671,279	\$ 56,737,926

Impact on Residents and Businesses


This supplemental funding helps RUHS-MC to assure Medi-Cal Managed Care enrollees of Inland Empire Health Plan and Molina Healthcare of California the availability of medical services. Delegating signature authority to RUHS-MC's CEO will expedite the agreement approval process and the ability to meet the deadlines set forth by the California Department of Health Care Services.

Additional Fiscal Information

Participation in programs authorized by Senate Bill 208 will add no additional costs to RUHS-MC. Funding for the IGT's and the associated revenues are included in RUHS-MC fiscal year budgets.

Attachments:

Agreements listed in Table A above



Gregory V. Priaplos, Director County Counsel 7/19/2018

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES ("DHCS") and the RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER (GOVERNMENTAL FUNDING ENTITY) with respect to the matters set forth below.

The parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The GOVERNMENTAL FUNDING ENTITY agrees to make a transfer of funds to DHCS pursuant to sections 14164 and 14301.4 of the Welfare and Institutions Code. The amount transferred shall be based on the sum of the applicable rate category per member per month (PMPM) contribution increments multiplied by member months, as reflected in Exhibit 1. The GOVERNMENTAL FUNDING ENTITY agrees to initially transfer amounts that are calculated using the Estimated Member Months in Exhibit 1, which will be reconciled to actual enrollment for the service period of July 1, 2017 through June 30, 2018 in accordance with Sub-Section 1.3 of this Agreement. The funds transferred shall be used as described in Sub-Section 2.2 of this Agreement. The funds shall be transferred in accordance with the terms and conditions, including schedule and amount, established by DHCS.

1.2 The GOVERNMENTAL FUNDING ENTITY shall certify that the funds transferred qualify for Federal Financial Participation pursuant to 42 C.F.R. part 433, subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, Federal

money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. Impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

1.3 DHCS shall reconcile the “Estimated Member Months,” in Exhibit 1, to actual enrollment in HEALTH PLAN(S) for the service period of July 1, 2017 through June 30, 2018 using actual enrollment figures taken from DHCS records. Enrollment reconciliation will occur on an ongoing basis as updated enrollment figures become available. Actual enrollment figures will be considered final two years after June 30, 2018. If this reconciliation results in an increase to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, the GOVERNMENTAL FUNDING ENTITY agrees to transfer any additional funds necessary to cover the difference. If this reconciliation results in a decrease to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, DHCS agrees to return the unexpended funds to the GOVERNMENTAL FUNDING ENTITY. If DHCS and the GOVERNMENTAL FUNDING ENTITY mutually agree, amounts due to or owed by the GOVERNMENTAL FUNDING ENTITY may be offset against future transfers.

2. Acceptance and Use of Transferred Funds

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to this Agreement as IGTs, to use for the purpose set forth in Sub-Section 2.2.

2.2 The funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to Section 1 and Exhibit 1 of this Agreement shall be used to fund the non-federal share of Medi-Cal Managed Care actuarially sound capitation rates described in section 14301.4(b)(4)

of the Welfare and Institutions Code as reflected in the contribution PMPM and rate categories reflected in Exhibit 1. The funds transferred shall be paid, together with the related Federal Financial Participation, by DHCS to HEALTH PLAN(S) as part of HEALTH PLAN(S)' capitation rates for the service period of July 1, 2017 through June 30, 2018, in accordance with section 14301.4 of the Welfare and Institutions Code.

2.3 DHCS shall seek Federal Financial Participation for the capitation rates specified in Sub-Section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge that DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services

2.5 DHCS shall not direct HEALTH PLAN(S)' expenditure of the payments received pursuant to Sub-Section 2.2

3. Assessment Fee

3.1 DHCS shall exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20 percent fee related to the amounts transferred pursuant to Section 1 of this Agreement, except as provided in Sub-Section 3.2. GOVERNMENTAL FUNDING ENTITY agrees to pay the full amount of that assessment in addition to the funds transferred pursuant to Section 1 of this Agreement.

3.2 The 20-percent assessment fee shall not be applied to any portion of funds transferred pursuant to Section 1 that are exempt in accordance with sections 14301.4(d) or 14301.5(b)(4) of the Welfare and Institutions Code. DHCS shall have sole discretion to determine the amount of the funds transferred pursuant to Section 1 that will not be subject to a 20 percent fee. DHCS has determined that \$1,935,656 of the transfer amounts, as shown in the table below, will not be assessed a 20 percent fee, subject to Sub-Section 3.3.

Health Plan	Rating Region	Transfer Amount
Inland Empire HP	Riverside	\$ 1,744,571
Molina Healthcare	Riverside	\$ 191,085
Total		\$ 1,935,656

3.3 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to DHCS separately from, and simultaneous to, the transfer amounts made under Section 1 of this Agreement. If, at the time of the reconciliation performed pursuant to Sub-Section 1.3 of this Agreement, there is a change in the amount transferred that is subject to the 20-percent assessment in accordance with Sub-Section 3.1, then a proportional adjustment to the assessment fee will be made.

4. Amendments

4.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

4.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in Section 2 of this Agreement.

5. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States First Class, Certified or Registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the GOVERNMENTAL FUNDING ENTITY:

Jennifer L. Cruikshank, CEO
 Riverside University Health System - Medical Center
 26520 Cactus Avenue
 Moreno Valley, CA 92555
j.cruikshank@ruhealth.org

With copies to:

David Santilli
Riverside University Health System - Medical Center
26520 Cactus Avenue
Moreno Valley, CA 92555
d.santilli@ruhealth.org

To DHCS:

Sandra Dixon
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., Suite 71-4002
MS 4413
Sacramento, CA 95814
Sandra.Dixon@dhcs.ca.gov

6. Other Provisions

6.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal payments described in Sub-Section 2.2 of this Agreement that are funded by the GOVERNMENTAL FUNDING ENTITY, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the GOVERNMENTAL FUNDING ENTITY and DHCS relating to the subject matter of this Agreement. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. This Agreement shall not modify the terms of any other agreement, existing or entered into in the future, between the parties.

6.2 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.

6.3 Sections 2 and 3 of this Agreement shall survive the expiration or termination of this Agreement.

6.4 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.

6.5 Time is of the essence in this Agreement.

6.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

7. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under Federal and State law and regulations.

8. Approval. This Agreement is of no force and effect until signed by the parties.

9. Term. This Agreement shall be effective as of July 1, 2017 and shall expire as of December 31, 2020 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER:

By: _____ Date: _____

Jennifer L. Cruikshank, CEO

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____ Date: _____

Jennifer Lopez, Acting Division Chief, Capitated Rates Development Division

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* DATE: 4-18-18
SYNTHIA M. GUNZEL

Exhibit 1

Funding Entity:		Riverside University Health System - Medical Center	
Health Plan:		Inland Empire HP	
Rating Region:		Riverside	
Rate Category	Contribution PMPM	Estimated Member Months	Estimated Contribution (Non-Federal Share)
Child - non MCHIP	\$ 2.89	2,463,993	\$ 7,120,940
Child - MCHIP	\$ 0.69	904,470	\$ 624,084
Adult - non MCHIP	\$ 6.81	1,160,474	\$ 7,902,828
Adult - MCHIP	\$ 1.64	44,851	\$ 73,556
SPD	\$ 19.56	417,327	\$ 8,162,916
SPD Full Dual	\$ 3.62	423	\$ 1,531
BCCTP	\$ 32.99	906	\$ 29,889
Optional Expansion 7/2017 - 12/2017	\$ 0.81	981,742	\$ 795,211
Optional Expansion 1/2018 - 6/2018	\$ 0.97	978,722	\$ 949,360
Estimated Total		6,952,908	25,660,315

Funding Entity:		Riverside University Health System - Medical Center	
Health Plan:		Molina Healthcare	
Rating Region:		Riverside	
Rate Category	Contribution PMPM	Estimated Member Months	Estimated Contribution (Non-Federal Share)
Child - non MCHIP	\$ 1.78	323,303	\$ 575,479
Child - MCHIP	\$ 0.43	141,887	\$ 61,011
Adult - non MCHIP	\$ 3.65	156,285	\$ 570,440
Adult - MCHIP	\$ 0.88	9,885	\$ 8,699
SPD	\$ 10.40	67,166	\$ 698,526
SPD Full Dual	\$ 2.26	50	\$ 113
BCCTP	\$ 18.21	77	\$ 1,402
Optional Expansion 7/2017 - 12/2017	\$ 0.61	141,781	\$ 86,486
Optional Expansion 1/2018 - 6/2018	\$ 0.74	141,350	\$ 104,599
Estimated Total		981,784	2,106,755