



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 6/4/2013

Agenda Placement: 7B

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Shelli Brobst for Randolph F. Snowden - Director  
Health & Human Services Administration

**REPORT BY:** Akon Walker, STAFF SERVICES ANALYST II - 253-4265

**SUBJECT:** Intergovernmental Transfer Memorandum of Understanding with Partnership HealthPlan of California

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### **RECOMMENDATION**

Director of Health and Human Services requests approval of and authorization for the Chairman to sign a Memorandum of Understanding with Partnership HealthPlan of California (PHC) for the use of Intergovernmental Transfer (IGT) funds for Fiscal Year 2011-2012 for a total net amount of \$1,126,355, covering a 12 month period beginning on the date the payment is issued to County by PHC, to be used for health care services for Napa County residents.

### **EXECUTIVE SUMMARY**

The proposed Memorandum of Understanding (MOU) between Partnership HealthPlan of California (PHC) and Napa County Health and Human Services Agency (HHS) outlines the terms under which new federal revenues acquired through the Intergovernmental Transfer (IGT) process will be expended on health care services for Napa County residents.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of

Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

## **BACKGROUND AND DISCUSSION**

The Health and Human Services Agency (HHSA) is projected to receive \$2,727,672 in Fiscal Year 2012-2013 from an Intergovernmental Transfer (IGT). IGT is a funding strategy available to states and local governments responsible for certain health services to increase federal matching dollars for Medicaid programs. The Partnership HealthPlan of California (PHC), the county organized health system that provides managed health care services for low-income individuals and families eligible for Medi-Cal in Napa and several surrounding counties, is the fiscal intermediary facilitating the IGT process to increase federal Medicaid funding available to Napa County.

To participate in the IGT process, on March 19, 2013 the Board authorized the transfer of \$1,601,316 to the Department of Health Care Services (DHCS). Of this amount, \$1,334,430 is to be used as local "matching funds" and \$266,886 represents a 20% administrative fee levied by DHCS. The portion of these transferred funds designated as "matching funds" will be returned to the County along with net additional Medicaid revenue of approximately \$1,126,356.

The Partnership HealthPlan agreement (Agreement No. 7655) governing this IGT requires HHSA to enter into a Memorandum of Understanding (MOU) with PHC for the use of the IGT proceeds. The proposed MOU: (1) describes the mutually acceptable set of health care services and programs that will be provided to Napa County residents utilizing the additional federal Medicaid revenues generated by the IGT process, and (2) delineates the roles and responsibilities of PHC and HHSA.

The net additional revenue must be used for the provision of health care services to Napa County residents. Napa County Health and Human Services Agency (HHSA) will use the additional federal Medicaid funds to improve access to services, address service gaps or shortfalls by enhancing, expanding or otherwise supporting health-related services that are not already funded under the Medi-Cal system, and mitigate the impact on HHSA clients and the community of the service reductions resulting from revenue losses experienced during the recent recession. In this regard, HHSA has had to address more than \$12 million in cumulative budget gaps since the onset of the recession in early 2007. IGT funding presents an opportunity to improve health services in Agency programs, including those impacted by recent budget cuts. HHSA conducted a program-based planning process to determine the most effective uses of the funds, which is similar to the program-based planning process previously used to determine the most effective strategies to address the \$12 million in budget shortfalls.

HHSA intends to utilize the funds in two ways. First, the IGT proceeds will fund a portion of the annual costs attributable to behavioral health services provided by or through HHSA to Medi-Cal beneficiaries that are not being reimbursed by Medi-Cal. In Fiscal Year 2012-2013 HHSA will expend approximately \$5 million in discretionary County general funds to augment the mental health and alcohol and drug services it provides to Napa County residents. A majority of the persons served in these programs are Medi-Cal beneficiaries. The IGT proceeds will thus be applied to fund a portion of these ongoing services that are attributable to these beneficiaries but not being reimbursed by the State or Federal funders.

Second, the County general funds made available by the application of IGT funding described above will be utilized to fund eight local projects that comply with the expenditure requirements for IGT funds. These projects, which are described in Attachment A of the MOU, include:

1. Assignment of HHSA mental health staff to a community-based early detection and intervention program for mental illness in young adults to link individuals not accepted into the program into mental health and/or other health and human services;
2. Partial restoration of capacity in HHSA's outpatient addiction treatment program in the wake of reductions

- occurring during the recession;
3. Evidence-based “Parent-Child Interactive Therapy” training for parents, foster parents and child care givers;
  4. Enhancement of the behavioral health services provided to children of high-risk families participating in HHSA’s Therapeutic Child and Family Center;
  5. Promotion of partnerships between HHSA’s Public Health programs and local community organizations to increase funding to those organizations;
  6. Funding for Community Health Clinic Ole to expand and enhance the coordination of care at the County Campus Clinic located on HHSA’s Old Sonoma Road campus;
  7. Piloting of a multidisciplinary care access unit at HHSA to provide assessment, navigation and referral services to HHSA clients who will benefit from an integrated approach to the coordination of multiple services; and
  8. Expansion of funding for the initiative extending the Medi-Cal Administrative Activities (MAA) program to local community-based organizations (CBO’s) to allow these CBO’s to receive additional federal revenue.

Contracts with CBO’s, requests for additional HHSA staffing and other actions required to implement these projects will be submitted to the Board for approval after the IGT funds are received.

Under the terms of the MOU, any IGT funds unexpended at the end of the MOU’s term are to be held in a reserve and must be expended in accordance with the requirements of the funders and the MOU.

#### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Karen Collins