

MOTION

California Welfare and Institutions Code (WIC) Section 14301.4 establishes Intergovernmental Transfers (IGT), which enables a public entity providing health care services to Medi-Cal managed care (HMO) beneficiaries to transfer funds to the State Department of Health Care Services (DHCS) to support the Medi-Cal program. These funds are used by DHCS to optimize matching funds from the federal Center for Medicare and Medicaid Services (CMS) to assist participating public agencies to support Medi-Cal health care services. According to DHCS, CMS has provided dollar for dollar matching funds to the public entities' contribution amounts. Both the contribution amount and additional funding received from CMS must be used by the public entity for health care services for Medi-Cal beneficiaries. The the maximum contribution amount by the public entity is based on the unreimbursed invoiced costs for health care services (e.g., ambulance transports by fire agencies) provided to Medi-Cal HMO beneficiaries in the prior fiscal year, and the potential total match to be provided by CMS.

Participation in the IGT requires: (a) the contribution of public funds to the State Medi-Cal payment fund, which DHCS uses to obtain the federal match from CMS (the contribution amount is returned to the public entity at the end of the process); (b) a 20% administrative fee payment to DHCS on the amount of the IGT, "...to reimburse the department for the administrative costs of operating the IGT program pursuant to this [WIC] section and for the support of the Medi-Cal program"; and (c) a 6% fee payment to the Health Care Plans (HCP) contracted by DHCS to coordinate and administer the IGT at the local County level.

The contribution amount and 20% administrative fee are transmitted by the public entity to DHCS after CMS approves the State's application for matching funds. If CMS funding fails to be processed to DHCS after the contribution and administrative fee are transmitted, DHCS will return those amounts to the public entity.

The contracted HCPs have calculated that the City's maximum contribution for matching funds is approximately \$8M; the 20% administrative fee to DHCS is \$1.6M. The up-front financial commitment for the City to participate in the IGT is \$9.6M which must be transferred to the State by September 9, 2016. However, each participating entity must commit the contribution amount by May 13, 2016, to enable a final calculation of the total request for federal CMS matching funds. The City's participation in the IGT could result in estimated net revenue of \$5.9M.

WE THEREFORE MOVE that the Council, subject to approval of the Mayor, approve, in concept, participation in the Intergovernmental Transfer program provided by California Welfare and Institutions Code Section 14301.4

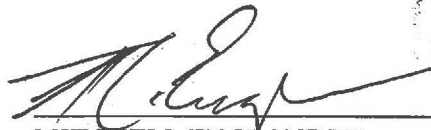
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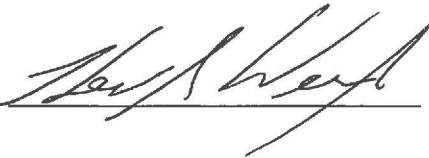
WE FURTHER MOVE that the Council INSTRUCT the Fire Department (LAFD), with the City Administrative Officer (CAO) to report on this program and options for funding the up-front commitment, the current cost of providing service for Medi-Cal beneficiaries and what reimbursements the City currently receives for these services, as well as on what restrictions are placed on the use of the additional revenue generated by participating in the IGT.

Presented by:


PAUL KREKORIAN
Councilmember, 2nd District


MITCHELL ENGLANDER
Councilmember, 12th District

Seconded by:



ORIGINAL