



## Legislation Text

---

File #: 23-1837, Version: 1

---

**TO:** Board of Supervisors  
**FROM:** Jennifer Yasumoto, Director of Health and Human Services Agency  
**REPORT BY:** Summer Isham, Contracts Supervisor  
**SUBJECT:** Intergovernmental Transfer of Public Funds: Voluntary Rate Range Program

---

### RECOMMENDATION

Director of Health and Human Services Agency (HHS) requests approval of and authorization for the Chair to sign Agreement No. 240215B with the California Department of Health Care Services (DHCS) for the Intergovernmental Agreement Regarding Transfer of Public Funds for the term January 1, 2022, through June 30, 2025, for the transfer of approximately \$2,000,000 to fund the non-federal share of Medi-Cal Managed Care actuarially sound capitation rates. This amount includes the 20% assessment fee retained by DHCS.

### EXECUTIVE SUMMARY

The purpose of today's requested action is to obtain Board approval to permit the transfer of approximately \$2,000,000 to the California Department of Health Care Services (DHCS) for the term January 1, 2022, through June 30, 2025, to be used as local matching funds to obtain an equivalent amount of federal Medicaid revenue.

### FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Health and Human Services Agency, Behavioral Health division
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This action is discretionary in that there is no mandate to participate in the Intergovernmental Transfer (IGT) process nor to accept additional federal Medicaid funds made available through the IGT process. However, the IGT process will provide approximately \$2,000,000 in funding for health care programs and activities benefitting Napa County residents.
Is the general fund affected?	No

Future fiscal impact:	This agreement terminates on June 30, 2025. However, the transfer is expected to take place in the current fiscal year and has been included in the approved budget.
Consequences if not approved:	If this agreement is not approved, HHSA will lose the opportunity to obtain additional Medicaid funding.
County Strategic Plan pillar addressed:	Effective and Open Government

## **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 Intergovernmental Transfer (IGT) process is a funding mechanism under Section 1903(w)(a) of the Social Security Act, which States and local governments utilize, under certain circumstances, to obtain additional federal matching dollars for Medicaid programs. These funds become available when the State claims federal funds for use in the California Medi-Cal system at a level that is less than the maximum allowable federal funding level. The difference between the maximum allowable federal funding level and the actual amount drawn down by the State is referred to as “headroom.” This “headroom” of unused federal reimbursement is available to be drawn down by counties and other public entities through an IGT.

Partnership HealthPlan of California (PHC) is 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 and is the fiscal intermediary for the IGT process to increase federal Medicaid funding available to Napa County.

The Health and Human Services Agency has participated in the IGT process since Fiscal Year 2013-2014 and the funding has made possible programs that improve access to services and address service gaps or shortfalls by enhancing, expanding or otherwise supporting health-related services that are not already funded under the Medi-Cal system for Napa County residents.