



# Board Agenda Item 38

DATE: November 4, 2025

TO: Board of Supervisors

SUBMITTED BY: Joe Prado, Interim Director, Department of Public Health

SUBJECT: Retroactive Plan Provider Agreements with Medi-Cal Managed Care Plans

## RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute retroactive Agreement with CalViva Health, effective January 1, 2024, through December 31, 2027, to meet Department of Health Care Services requirements necessary to participate in the Intergovernmental Transfer program (\$9,115,806); and**
- 2. Approve and authorize the Chairman to execute retroactive Agreement with Blue Cross of California Partnership Plan dba Anthem Blue Cross, effective January 1, 2024, through December 31, 2027, to meet Department of Health Care Services requirements necessary to participate in the Intergovernmental Transfer program (\$1,002,934).**

Approval of the recommended actions allow Anthem Blue Cross and CalViva Health to distribute Intergovernmental Transfer (IGT) program matching funds to the Department less a 2.5% and 2% administrative fee, respectively, used for the Managed Care Plans' (MCP) costs to administer the IGT program. The Department's participation in IGT will provide funds for health care services to County Medi-Cal clients.

## ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Department would not have a mechanism in place to receive Federal matching funds for programs serving Medi-Cal clients from Anthem Blue Cross and CalViva Health through the IGT program.

## RETROACTIVE AGREEMENT

The Department has been working with a consultant on the IGT program since December 2024. On May 7, 2025, the Department received the final documents from DHCS, which were approved by your Board on July 8, 2025. These corresponding recommended plan provider agreements were finalized on August 6, 2025 and brought to your Board within the designated processing timelines.

## FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended actions allow Anthem Blue Cross and CalViva Health, the Medi-Cal Managed Care providers, to distribute the estimated funding (\$9,911,351) after retaining a 2.5% administrative fee for Anthem Blue Cross and 2% for CalViva Health. Estimated revenues are included in the Department of Public Health's Special Revenue Fund 0080, Org 1170, FY 2025-26 Adopted Budget and will be included within future budget requests for the duration of the term.

DISCUSSION:

The Department has been working with vendor Health Management Associates to participate in the IGT program starting in December 2024. The IGT process is a mechanism by which local governments obtain additional Federal matching funds for programs serving Medi-Cal clients. The funds become available when the State claims Federal funds for use in the California Medi-Cal system at less than the allowable maximum funding level. The difference between the maximum allowable Federal funding level and the actual amount drawn down by the State is available for draw down by counties and other public entities through an IGT. The Department's participation in the IGT program will provide funds for health care services to Medi-Cal clients.

On July 8, 2025, your Board approved County Agreement No. 25-345 with the California Department of Healthcare Services (DHCS) for the authorization of the County to participate in the IGT Program.

The process includes the following steps:

- Upon your Board's approval, the Department will transfer \$5,059,370 to DHCS with a separate assessment fee payment totaling approximately \$1,011,874, for a total of \$6,071,244
- Upon receipt of the payment and assessment fee, DHCS will access Federal matching funds from the Centers for Medicare & Medicaid Services and make a payment of approximately \$10,118,740 to the MCP;
- The MCP will distribute approximately \$9,911,351 to the Department through the Health Plan Provider Agreements after retaining approximately \$207,389 (2% for CalViva Health and 2.5% for Anthem Blue Cross) as an administrative fee; and,
- The Department will return the initial IGT seed funding/administrative fee funds to the account of origin and will budget the net IGT funds in a manner consistent with the Provider Agreements.
- The recommended agreements with local MCP, Anthem Blue Cross and CalViva Health, fulfill requirements set forth by DHCS for managed care health plans to coordinate public health services with a local public health department. The recommended agreements add provisions necessary for the Department's participation in the IGT program to receive funds from each plan. Specifically, the recommended agreements stipulate that funds paid to the County cannot be transferred to the County's General Fund, the State, or any intermediary organization. Additionally, the recommended agreements require that the County indemnify the plans for any liability incurred as a result of their receipt of IGT funding from DHCS or as a result of their payment of IGT funds to the County and will reimburse the plans for any monetary loss as a result of the IGT. Finally, the recommended agreements provide that the County will provide legal representation for the plans, or provide for attorney's fees should the plans arrange for their own representation in the event action is brought against the plans by the State or Federal government as a result of the IGT, or if the plans bring an action against the State or Federal government related to the IGT.

The IGT program being proposed presents a very low risk of State and Federal action. The program has been utilized by multiple counties throughout the State for multiple years and no actions have been brought against them. The benefit to the Department is substantial offset recent federal funding reductions and increased operational costs.

REFERENCE MATERIAL

BAI #49, July 8, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with CalViva Health

On file with Clerk - Agreement with Anthem Blue Cross

CAO ANALYST:

Ronald Alexander