



Board Agenda Item 49

DATE: July 8, 2025

TO: Board of Supervisors

SUBMITTED BY: David Luchini, RN, PHN, Director, Department of Public Health

SUBJECT: Intergovernmental Transfer Agreement with the California Department of Health Care Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a retroactive Agreement with the California Department of Health Care Services to allow the Department of Public Health to participate in the Intergovernmental Transfer program for the local Medi-Cal Managed care plans, effective January 1, 2024, through June 30, 2027, with Blue Cross of California Partnership Plan dba Anthem Blue Cross (\$500,185) and CalViva Health (\$4,542,292) plus assessment fee (\$1,008,495).

Approval of the recommended action will allow the Department of Public Health to participate in the Intergovernmental Transfer (IGT) program with the California Department of Health Care Services (DHCS) and local Medi-Cal Managed Care plans: Blue Cross of California Partnership Plan dba Anthem Blue Cross and CalViva Health. 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 action, the Department would forego the opportunity for additional Federal matching funds for programs serving Medi-Cal clients.

RETROACTIVE AGREEMENT

The Department received notification of the IGT program in December 2024. On May 7, 2025, the Department received the final documents from DHCS. The signed documents must be submitted to DHCS by August 1, 2025.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended action allows the Department to transfer matching funds to DHCS for the IGT program. The Department would transfer \$500,185 for Anthem Blue Cross clients and \$4,542,292 for CalViva Health clients, along with a 20% assessment fee of \$1,008,495. The Department is still working on provider plan agreements with Anthem Blue Cross and CalViva Health for managed care plans to distribute estimated funding (\$9,878,253). The matching funds are fully funded with Health Realignment. Sufficient appropriations will be included in the Department Org 5620 FY 2025-26 Recommended Budget and future budget requests for the duration of the term. There are no pending invoices with the recommended agreement. Invoices from DHCS for calendar year 2024 are expected to be received in October 2025.

DISCUSSION:

The Department received notification of the IGT program 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.

The process includes the following steps:

- Upon your Board's approval, the Department will transfer \$5,042,477 to DHCS with a separate assessment fee payment of \$1,008,495, for a total of \$6,050,972.
- 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 \$10,084,954 to the Medi-Cal Managed Care Plans;
- The Medi-Cal Managed Care Plans will distribute approximately \$9,878,252 to the Department through the Health Plan Provider Agreements after retaining approximately \$206,702 (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.

Per the terms of the Intergovernmental Agreement Regarding Transfer of Public Funds, any funds transferred to DHCS and not utilized for the IGT program will be returned to the County, along with a proportionate amount of the 20% assessment fee to the County.

The corresponding agreements with the local Medi-Cal Managed Care plans, Anthem Blue Cross and CalViva Health, are still being finalized. The Department will return to your Board once they have been completed.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - IGT Agreement with DHCS

CAO ANALYST:

Ronald Alexander