



# Board Agenda Item 41

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DATE: March 11, 2025

TO: Board of Supervisors

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

SUBJECT: Amendment to Agreement with Health Management Associates, Inc.

RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute Amendment No. 1 to Agreement No. 24-337 with Health Management Associates, Inc. to provide consultation and assistance to the Department of Public Health with applying for the California Department of Health Care Services' Voluntary Rate Range Program, extending the term from June 18, 2026 to December 31, 2026, and increasing the maximum by \$70,000 to a total of \$317,843.**

There is no additional Net County Cost associated with the recommended action. Approval of the recommended action will extend the term of the agreement with Health Management Associates, Inc. (HMA) from June 18, 2026 to December 31, 2026 and increase the maximum compensation by \$70,000 to a total of \$317,843. HMA would provide the Department of Public Health (Department) with consultation to assist with completing the complex application for the California Department of Health Care Services' (DHCS) Voluntary Rate Range Program (VRRP) and participating in the program once approved. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the Department will not be able to obtain additional consultation services from HMA to navigate a complex process for application and participation in the DHCS's VRRP.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. Upon execution of the recommended amendment, the maximum compensation for the agreement will increase by \$70,000 to a total of \$317,843. The additional consultation services to assist the Department with the VRRP will be funded by Health Realignment. Sufficient appropriations and estimated revenues are included in the Department's Org 5620 FY 2024-25 Adopted Budget and will be included in subsequent budget requests.

DISCUSSION:

On June 18, 2024, the Board approved an agreement with HMA for consultation services in developing the Department's new 10-year strategic plan with a focus on providing essential services in the most cost-effective manner possible. HMA is currently working with the Department to confirm goals and initiatives, complete stakeholder engagement, develop a departmental framework, evaluate revenue sources, and create an official document of the plan. Thus far, HMA has helped the project progress and continue to meet the estimated timeline.

Approval of the recommended amendment will increase the maximum compensation upon execution, extend the term of the agreement through December 31, 2026, and add to the scope of services provided by HMA. The additional consultation services will involve assistance with navigating a complex DHCS application for the Department's inclusion to the DHCS's VRRP. Participation in the VRRP will allow the County to transfer funds to the DHCS to be used as the non-federal share in claiming Federal Financial Participation dollars for Medicaid covered services. The eligible funds will be used by DHCS to draw down federal funds, which can then be disbursed to the Managed Care Plans and participating counties as additional funding.

Approval of the recommended amendment would greatly benefit the County from participation in the VRRP, as the end result would provide the Department with substantial funding from the DHCS. The Department plans to use these future funds to support enhanced and increased public health services and additional related activities to the Fresno County community. HMA is also contracted with and successfully assisted other California counties with their VRRP process, including Merced County.

REFERENCE MATERIAL:

BAI #74, June 18, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Agreement with HMA

CAO ANALYST:

Ron Alexander