



Board Agenda Item 50

DATE: September 26, 2017

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health

SUBJECT: Amended and Restated Agreement with Santé Health System dba Advantek Benefit Administrators

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute the First Amended and Restated Agreement No. 15-130 with Santé Health System dba Advantek Benefit Administrators, to determine beneficiary eligibility and administer payment to approved providers for non-emergency specialty medical services for Fresno County, effective September 26, 2017, increasing the administrative fee and extending the term of the existing agreement by two optional 12-month periods from April 19, 2018 to April 19, 2020 with no increase in the maximum of \$5,569,392.

There is no increase in Net County Cost associated with the recommended action. Approval of the recommended action will allow the Department of Public Health to continue to provide funding for administrative services to reimburse for certain non-emergency specialty medical services for residents meeting property and income limits and who do not qualify for the Medically Indigent Services Program (MISP) or participation in the Affordable Care Act (ACA). Additionally, the recommended amendment would add two optional 12-month periods with no changes in the maximum or terms and conditions.

ALTERNATIVE ACTION(S):

Your Board could choose not to extend the existing agreement; however, the agreement would terminate on April 19, 2018 and the related specialty medical services would cease to be funded by the Department. If your Board chooses not to approve the recommended action, the Department will give Advantek a 30-day notice to terminate the agreement.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The recommended amendment and restatement will extend the existing three-year term an additional two optional 12-month periods, with no increase in the maximum compensation (\$5,569,392). The administrative fee paid to Advantek will increase from 5% to 8% or a monthly minimum fee of \$3,500, whichever is greater. The current administrative fee is not profitable for Advantek due to the much lower than expected utilization of the funding. Sufficient appropriations and estimated revenues are included in the Department's Org 5240 FY 2017-18 Adopted Budget and will be included in the FY 2018-19 budget request.

DISCUSSION:

On April 7, 2015, your Board approved Agreement No.15-130 with Advantek to administer Assembly Bill 2731 (Chapter 743, Statutes of 2014) funds and to provide claims management authorization services. The

agreement allowed various federally qualified health centers and emergency room providers to refer medically indigent and uninsured individuals for necessary non-emergency specialty medical services. Health Realignment will now be the funding source for these services.

The agreement allowed approved specialty care providers within the County to claim costs of services that are reimbursable at Medi-Cal rates. Individuals seeking services were required to have applied for and been denied Full-Scope Medi-Cal and all other available health care options and must meet property and income limits. This process ensured individuals had exhausted all other possible health care funding options.

Advantek is in a unique position to continue to provide the necessary administrative services consisting of eligibility and provider claims management services through existing business processes utilized by Community Medical Centers (CMC) to service this population under the master agreement with CMC for MISP services prior to December 1, 2014, when the master agreement with CMC was terminated.

With your Board's approval, the recommended First Amendment and Restated Agreement will extend the agreement for two optional 12-month periods for a total of five years. The agreement authorizes the Director, or designee, to execute written approval on behalf of the County to extend the agreement through April 19, 2020, upon satisfactory performance by the contractor. This agreement may be terminated by either party without cause upon issuance of a 30-day written notice of termination to the other party.

REFERENCE MATERIAL:

BAI #12, April 7, 2015 - Agreement No. 15-130

BAI #10, November 4, 2014

BAI #4, August 19, 2014

BBR - Update Regarding Medically Indigent Services Program and Community Medical Centers Agreement, August 6, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amended and Restated Agreement with Santé Health System

CAO ANALYST:

Sonia De La Rosa