



Legislation Text

File #: 23-1915, **Version:** 1

Health and Human Services Agency (HHS) recommending the Board approve and authorize the Chair to sign the Extended Letter of Agreement (LOA) with the Health Plan of San Joaquin (HPSJ), which sets forth the terms and rates of reimbursement for authorized medically necessary services to HPSJ members, for the temporary period of January 1, 2024, through June 30, 2024, until a final master agreement is developed, to ensure HHS and HPSJ can meet implementation deadlines required by the California Department of Health Care Services (DHCS).

FUNDING: N/A

DISCUSSION / BACKGROUND:

California's Medicaid program, Medi-Cal, is the largest state Medicaid program in the nation. Insuring almost one-third of California's residents, Medi-Cal is a key source of health coverage for low-income children, adults, and people with disabilities. The San Joaquin County Health Commission (Commission), a multi-county commission, contracts with the DHCS to provide a public managed health care plan for people receiving Medi-Cal. Through this managed health care plan, referred to as the HPSJ Local Initiative Two-Plan Medi-Cal Managed Care Plan Model, the Commission has successfully improved health care access for its members and increased reimbursement rates for health care providers.

The HPSJ is a non-profit Health Maintenance Organization (HMO) that has been providing healthcare services to the Central Valley community for over two decades. It is publicly sponsored and collaborates with the Medi-Cal Managed Care Division of the DHCS to deliver healthcare to Medi-Cal members. HPSJ prioritizes primary and preventive care through organized systems of care networks, aiming to provide quality healthcare, improve accessibility, and reduce costs.

Beginning in 2021, the DHCS began expanding the Commission's public managed health care plan to rural counties, to allow participating counties to have greater local influence and control over their managed care medical system. On August 31, 2021, the Board of Supervisors approved in concept to transition the County to the HPSJ Managed Care Plan Model (File ID: 21-1362). Subsequently, on December 14, 2021, the Board adopted Ordinance No. 5149, which authorized the County to join the Commission (File ID: 21-1422).

On June 6, 2023, the Board approved HHS to sign a Letter of Intent with HPSJ to confirm both parties' mutual intent to facilitate negotiations and enable the development of a El Dorado County Medi-Cal Services Agreement for the HPSJ Managed Care Model (File ID: 23-0924).

Starting January 1, 2024, HPSJ intends to expand its coverage as a Medi-Cal Managed Medi-Cal Plan to include El Dorado and Alpine Counties. This effective date for the HPSJ transition is contingent upon an executed agreement with the local health jurisdictions of Alpine and El Dorado County. Numerous technical challenges exist with the required long-term contractual template mandated by DHCS for HPSJ use as determined by County Counsel and the HHS Deputy Public Health Director. To effectively address the mandated agreement timeframe, a work around has been

identified and supported by County Counsel, HHS Public Health and HPSJ, which is the Extended LOA being brought before the Board in this Item.

Specifically, the use of the Extended LOA outlines the prescribed medical services provided by El Dorado County, which is consistent with the scope of current preventive services offered to the public by the HHS Public Health Division. The Extended LOA is temporary only for the period of January 1, 2024, through June 31, 2024, to allow the formal agreement to be modified/edited consistent with County Counsel and HHS Public Health requirements. This Extended LOA is intended to satisfy DHCS requirements for the 2024 required timeline and sets forth the temporary terms and rates of reimbursement for authorized medically necessary services for HPSJ members, until the final agreement can be approved by all parties.

HHS recommends the Board approve the Extended LOA with HPSJ to allow authorized medically necessary services for HPSJ members during this period. This extension letter does not constitute an executed contract between the County and HPSJ, however enables the County to continue development of the long-term HPSJ agreement in alignment with the evolving scope and structure of local health jurisdiction participation in DHCS statewide Medi-Cal Managed Care implementation. The final agreement between the County and HPSJ will be brought before the Board once it is fully developed.

ALTERNATIVES: Should the Board decline to approve this recommendation, the County of El Dorado could forfeit the opportunity to partner with the Health Plan of San Joaquin as the offered public plan of the Two Plan Model to improve health services for County Medi-Cal Members.

PRIOR BOARD ACTION:

- 1) 04/13/21, 21-0278, HHS Letter of Intent for MMC
- 2) 08/31/21, 21-1362, Approval in Concept of HPSJ
- 3) 12/14/21, 21-1422, HHS First Reading of Revised Ordinance
- 4) 06/06/23, 23-0924, Health Plan of San Joaquin Letter of Intent

OTHER DEPARTMENT / AGENCY INVOLVEMENT:

Approved by County Counsel.

CAO RECOMMENDATION:

Approve as recommended.

FINANCIAL IMPACT:

There is no financial impact associated with this Extended Letter of Agreement.

CLERK OF THE BOARD FOLLOW UP ACTIONS:

Clerk of the Board to obtain signature of Chair on one (1) original Extended Letter of Agreement.

STRATEGIC PLAN COMPONENT:

Healthy Communities

CONTACT

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