

Meeting Date: 12/16/2014

Report Type: Consent

Report ID: 2014-00933

Title: Agreement: Participation in the Rate Range Intergovernmental Transfer (IGT) program with the California Department of Health Care Services (DHCS) and Medi-Cal Managed Care Plan Providers (MMCPP) (Reviewed 12/09/2014)

Location: Citywide

Recommendation: Pass a Motion 1) authorizing the City Manager, or his designee, to execute a) the Rate Range Intergovernmental Transfer (IGT) Agreement with the California State Department of Health Care Services (DHCS); b) the Health Plan-Provider Agreements with participating Medi-Cal Managed Care Plan Provider(s); and c) the IGT Assessment Fee Agreement with DHCS; 2) authorizing transfer of funds up to \$7,632,134 from the Fire Department operating budget to DHCS and accept a reimbursement for Medi-Cal services of \$12,457,698, of which \$7,632,134 will reimburse the Fire Department operating budget; 3) authorizing designation of the additional federal reimbursement of \$1,085,745 for future use by the Fire Department; 4) authorizing establishment of a designation for the additional reimbursement of \$3,739,819 for future General Fund expenditures; and 5) retaining designations until such time the City has determined that there are no added requirements from the Federal government or from DHCS related to these reimbursements.

Contact: Walt White, Fire Chief, (916) 808-1601, Fire Department

Presenter: None.

Department: Fire

Division: Office Of The Fire Chief Adm

Dept ID: 12001011

Attachments:

01-Description/Analysis

02-Intergovernmental Transfer Agreement with DHCS for Anthem Blue Cross

03-Intergovernmental Transfer Agreement with DHCS for Molina Healthcare

04-Intergovernmental Transfer Agreement with DHCS for HealthNet

05-Health Plan-Provider Agreement with Anthem Blue Cross

06-Health Plan-Provider Agreement with Molina Healthcare

07-Health Plan-Provider Agreement with Healthnet

08-IGT Assessment Fee Agreement with DHCS for Anthem Blue Cross

09-IGT Assessment Fee Agreement with DHCS for Molina Healthcare

10-IGT Assessment Fee Agreement with DHCS for Healthnet

City Attorney Review

Approved as to Form
Lan Wang
12/5/2014 4:36:42 PM

Approvals/Acknowledgements

Department Director or Designee: Michael Bartley - 12/2/2014 3:58:36 PM

Description/Analysis

Issue Detail: The Rate Range Intergovernmental Transfer (IGT) program provides an opportunity to receive federal matching funds to support health services for Medi-Cal Managed Care beneficiaries served by the Fire Department. The Fire Department does not receive full reimbursement for the provision of medical services to Medi-Cal Managed Care patients. Currently, the Fire Department receives approximately 25% in reimbursement of our Medi-Cal Managed Care costs from payments received from Medi-Cal Managed Care Plan Provider(s) (MMCPP).

The IGT requires the transfer of eligible local dollars (not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations) from the City to the California State Department of Health Care Services (DHCS). DHCS in turn uses the funds to receive additional Federal funding from the Centers for Medicare and Medicaid Services (CMS). Since the funds must be used to support the Medi-Cal Managed Care program, DHCS transfers both the original contribution from the City and matched funds to the MMCPP who in turn makes those funds available to the City by increasing reimbursements above the current 25%. The State must approve and accept the City's participation in the IGT program prior to the transfer of any funds from the City to DHCS.

The City provides ambulance transports and the following:

1. Law enforcement services.
2. Eminent domain authority.
3. Taxing authority.

As such, the City is eligible to participate in an IGT program to request funds to recover unreimbursed Medi-Cal costs.

Policy Considerations: Pursuant to City Code Section 3.56.090, contracts of \$100,000 or more are to be approved by the City Council.

Economic Impacts: None.

Environmental Considerations: This report concerns administrative activities that do not constitute a "project" as defined by Section 15378 of the California Environmental Quality Act (CEQA) Guidelines and is otherwise exempt pursuant to Section 15061(b)(3).

Sustainability: There are no sustainability considerations as listed in the Sustainability Master Plan applicable to approving these agreements.

Commission/Committee Action: None.

Rationale for Recommendation: The following agreements must be in place in order for the City to participate in the IGT program:

- a. **The Intergovernmental Transfer Agreement:** This contract specifies the amount that will be transferred by the City to DHCS. It requires DHCS to use the transferred funds to increase capitation payments to a specified healthcare plan and to secure federal match funds, or if that is not possible, to return the transferred funds. The parties to this contract are the City and DHCS.
- b. **The Health Plan-Provider Agreement:** This agreement is an amendment between the MMCPP and the City. This contract amendment commits the MMCPP to pay the City a specified amount of the IGT funded capitation rate increases it receives from DHCS within 30 days of receipt for those funds from the State. The MMCPP will deduct an administrative fee of 2% from the amount that will be remitted to the City. The amendment specifies how the City will treat these funds from an accounting standpoint. While DHCS is not a party to the amendment, DHSC reviews the document. The MMCPPs participating in the program are Anthem Blue Cross, Molina Healthcare and HealthNet.
- c. **The IGT Assessment Fee Agreement:** This contract commits the City to pay DHCS 20% of the amount transferred as an administrative fee. The fee is refundable if the IGT does not go forward. DHCS and the City are the parties to this contract.

Financial Considerations: Upon approval of these agreements, the City will apply and request an amount to be reimbursed through the IGT program. This amount will help the City recover additional reimbursement of our previously unreimbursed Medi-Cal costs incurred in calendar year 2013. In order to receive the reimbursement, the City will be required to pay a contribution of \$7,632,134 to DHCS to cover our non-Federal share of the managed care costs. This amount includes a 20% fee assessed by the State to cover their administrative costs for operating the IGT program.

The funding for the required City contribution of \$7,632,134 to DHCS will come from the Fire Department's operating budget for Emergency Medical Services (EMS). The City will recover our non-Federal share amount from the reimbursement received through the IGT program in the amount of \$12,457,698, of which, the first \$7,632,134 will be used to reimburse the Fire Department for payment of the City's required participation contributions. The Federal amount is net of the 2% administrative fee assessed by the MMCPP.

Staff is recommending that these funds be designated and retained until such time the City has determined that there are no added requirements from the Federal government or from DHCS related to these reimbursements. The IGT program and associated reimbursements are based on annual available Federal funding, and fund availability and program requirements may change annually. As such, these funds are considered one-time in nature and used, to

the extent possible, in concert with Council's adopted budget principle of using one-time funding for one-time expenses.

As required by the IGT program, the additional reimbursement of \$1,085,745 must be designated for future use for the provision of EMS. At such time as it is determined that these funds are available for appropriation, these funds will be recommended for expenditure on one-time capital investments including, but not limited to, the purchase of ambulances, defibrillators, hydraulic gurneys or other equipment necessary to deliver emergency medical services. The balance of the reimbursement of \$3,739,819 will be designated for future General Fund expenditures not otherwise funded in the Approved Budget including significant SB 7 capital project cost increases necessary to meet State minimum wage requirements for the receipt of State capital project funding and in the Fire Department, growing unfunded pension costs and the City's required contribution to employees post-employment health benefits.

| Based on total amounts for Molina, Health Net and Blue Cross IGTs | City of Sacramento Fire Dept. IGT Option |
|--|--|
| | Plan Payments as approved by DHCS |
| City contribution to fund the 3 IGTs and pay the 20% DHCS fee | \$7,632,134 |
| Three Plan's payments to City (total funds) | \$12,457,698 |
| Net New Federal Funds Received by City | \$4,825,564 |
| Amount of cost the City incurred serving Plans members that was not reimbursed by the Plans under prior Fee for Service payments | \$3,739,819 |
| Amount City Must Use for Health Care | \$8,717,879 |

Local Business Enterprise (LBE): Not applicable.

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and the City of Sacramento Fire Department with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14164 and 14301.4.

B. Anthem Blue Cross is a Medi-Cal Managed Care Plan formed pursuant to Health and Safety Code Section 1349 et seq. Anthem Blue Cross is a party to a Medi-Cal managed care contract with DHCS, entered into pursuant to Welfare and Institutions Code section 14087.3, under which Anthem Blue Cross arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in the County.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The City of Sacramento Fire Department shall transfer funds to DHCS pursuant to section 14164 and 14301.4 of the Welfare and Institutions Code, up to a maximum total amount of one million, ninety-eight thousand, seven hundred eighty-four dollars (\$1,098,784), to be used solely as a portion of the nonfederal share of actuarially sound Medi-Cal managed care capitation rate increases for Anthem Blue Cross for the period January 1, 2013 through December 31, 2013 as described in section 2.2 below. The funds shall be transferred in accordance with a mutually agreed upon schedule between the City of Sacramento Fire Department and DHCS, in the amounts specified therein.

1.2 The City of Sacramento Fire Department shall certify that the funds transferred qualify for federal financial participation pursuant to 42 C.F.R. part 433 subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. For transferring units of government that are also direct service providers, impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

2. Acceptance and Use of Transferred Funds by DHCS

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the City of Sacramento Fire Department pursuant to this Agreement as intergovernmental transfers (“IGTs”), to use for the purpose set forth in section 2.2 below.

2.2 The funds transferred by the City of Sacramento Fire Department pursuant to this Agreement shall be used to fund a portion of the nonfederal share of increases in Medi-Cal managed care actuarially sound capitation rates described in paragraph (4) of subdivision (b) of section 14301.4 of the Welfare and Institutions Code and shall be paid, together with the related federal financial participation, by DHCS to Anthem Blue Cross as part of Anthem Blue Cross’s capitation rates for the period January 1, 2013 through December 31, 2013. The rate increases paid under section 2.2 shall be used for payments related to Medi-Cal services rendered to Medi-Cal beneficiaries. The rate increases paid under this section 2.2 shall be in addition to, and shall not replace or supplant, all other amounts paid or payable by DHCS or other State agencies to Anthem Blue Cross.

2.3 DHCS shall seek federal financial participation for the rate increases specified in section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge the State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services prior to the payment of any rate increase pursuant to section 2.2.

2.5 The parties agree that none of these funds, either the City of Sacramento Fire Department or federal matching funds will be recycled back to the City of Sacramento's general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement and their provider agreement constitute patient care revenues.

2.6 Within One Hundred Twenty (120) calendar days of the execution of this Agreement, DHCS shall advise the City of Sacramento Fire Department and Anthem Blue Cross of the amount of the Medi-Cal managed care capitation rate increases that DHCS paid to Anthem Blue Cross during the applicable rate year involving any funding under the terms of this Agreement.

2.7 If any portion of the funds transferred by the City of Sacramento Fire Department pursuant to this Agreement is not expended for the specified rate increases under Section 2.2, DHCS shall return the unexpended funds to the City of Sacramento Fire Department.

3. Amendments

3.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

3.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in section 2 of this Agreement.

4. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States first class, certified or registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the City of Sacramento Fire Department:

Denise Pinkston-Maas
City of Sacramento Fire Department
5770 Freeport Blvd.
Sacramento, CA 95822

To DHCS:

Sandra Dixon
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., Suite 71-4002
MS 4413
Sacramento, CA 95814

5. Other Provisions

5.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal rate increases for Anthem Blue Cross described in section 2.2 that are funded by the City of Sacramento Fire Department and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the City of Sacramento Fire Department and DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements already exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

5.2 The nonenforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

5.3 Section 2 of this Agreement shall survive the expiration or termination of this Agreement.

5.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

5.5 Time is of the essence in this Agreement.

5.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

6. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under federal and state law and regulations.

7. Approval. This Agreement is of no force and effect until signed by the parties.

8. Term. This Agreement shall be effective as of January 1, 2013 and shall expire as of December 31, 2015 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

The City of Sacramento Fire Department:

By: _____ Date: _____

John Shirey, City Manager, City of Sacramento

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____ Date: _____

Jennifer Brooks, Assistant Division Chief, Capitated Rates Development Division

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and the City of Sacramento Fire Department with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14164 and 14301.4.

B. Molina Healthcare of California Partners Plan, Inc. is a Medi-Cal Managed Care Plan formed pursuant to Health and Safety Code Section 1349 et seq. Molina Healthcare of California Partners Plan, Inc. is a party to a Medi-Cal managed care contract with DHCS, entered into pursuant to Welfare and Institutions Code section 14087.3, under which Molina Healthcare of California Partners Plan, Inc. arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in the County.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The City of Sacramento Fire Department shall transfer funds to DHCS pursuant to section 14164 and 14301.4 of the Welfare and Institutions Code, up to a maximum total amount of two million, five hundred thirty-three thousand, four hundred thirty-six dollars (\$2,533,436), to be used solely as a portion of the nonfederal share of actuarially sound Medi-Cal managed care capitation rate increases for Molina Healthcare of California Partners Plan, Inc. for the period January 1, 2013 through December 31, 2013 as described in section 2.2 below. The funds shall be transferred in accordance with a mutually

agreed upon schedule between the City of Sacramento Fire Department and DHCS, in the amounts specified therein.

1.2 The City of Sacramento Fire Department shall certify that the funds transferred qualify for federal financial participation pursuant to 42 C.F.R. part 433 subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. For transferring units of government that are also direct service providers, impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

2. Acceptance and Use of Transferred Funds by DHCS

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the City of Sacramento Fire Department pursuant to this Agreement as intergovernmental transfers (“IGTs”), to use for the purpose set forth in section 2.2 below.

2.2 The funds transferred by the City of Sacramento Fire Department pursuant to this Agreement shall be used to fund a portion of the nonfederal share of increases in Medi-Cal managed care actuarially sound capitation rates described in paragraph (4) of subdivision (b) of section 14301.4 of the Welfare and Institutions Code and shall be paid, together with the related federal financial participation, by DHCS to Molina Healthcare of California Partners Plan, Inc. as part of Molina Healthcare of California Partners Plan, Inc.’s capitation rates for the period January 1, 2013 through December 31, 2013. The rate increases paid under section 2.2 shall be used for payments related to Medi-Cal services rendered to Medi-Cal beneficiaries. The rate increases paid under this section 2.2 shall be in addition to, and shall not replace or supplant, all other amounts paid or payable by DHCS or other State agencies to Molina Healthcare of California Partners Plan, Inc..

2.3 DHCS shall seek federal financial participation for the rate increases specified in section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge the State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services prior to the payment of any rate increase pursuant to section 2.2.

2.5 The parties agree that none of these funds, either the City of Sacramento Fire Department or federal matching funds will be recycled back to the City of Sacramento's general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement and their provider agreement constitute patient care revenues.

2.6 Within One Hundred Twenty (120) calendar days of the execution of this Agreement, DHCS shall advise the City of Sacramento Fire Department and Molina Healthcare of California Partners Plan, Inc. of the amount of the Medi-Cal managed care capitation rate increases that DHCS paid to Molina Healthcare of California Partners Plan, Inc. during the applicable rate year involving any funding under the terms of this Agreement.

2.7 If any portion of the funds transferred by the City of Sacramento Fire Department pursuant to this Agreement is not expended for the specified rate increases under Section 2.2, DHCS shall return the unexpended funds to the City of Sacramento Fire Department.

3. Amendments

3.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

3.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in section 2 of this Agreement.

4. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States first class, certified or registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the City of Sacramento Fire Department:

Denise Pinkston-Maas
City of Sacramento Fire Department
5770 Freeport Blvd.
Sacramento, CA 95822

To DHCS:

Sandra Dixon
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., Suite 71-4002
MS 4413
Sacramento, CA 95814

5. Other Provisions

5.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal rate increases for Molina Healthcare of California Partners Plan, Inc. described in section 2.2 that are funded by the City of Sacramento Fire Department and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the City of Sacramento Fire Department and DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements already exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

5.2 The nonenforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

5.3 Section 2 of this Agreement shall survive the expiration or termination of this Agreement.

5.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

5.5 Time is of the essence in this Agreement.

5.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

6. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under federal and state law and regulations.

7. Approval. This Agreement is of no force and effect until signed by the parties.

8. Term. This Agreement shall be effective as of January 1, 2013 and shall expire as of December 31, 2015 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

The City of Sacramento Fire Department:

By: _____

Date: _____

John Shirey, City Manager, City of Sacramento

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____

Date: _____

Jennifer Brooks, Assistant Division Chief, Capitated Rates Development Division

INTERGOVERNMENTAL AGREEMENT REGARDING TRANSFER OF PUBLIC FUNDS

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and the City of Sacramento Fire Department with respect to the matters set forth below.

RECITALS

- A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14164 and 14301.4.
- B. Health Net of California, Inc. is a Medi-Cal Managed Care Plan formed pursuant to Health and Safety Code Section 1349 et seq. Health Net is a party to a Medi-Cal managed care contract with DHCS, entered into pursuant to Welfare and Institutions Code section 14087.3, under which Health Net arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in the County.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The City of Sacramento Fire Department shall transfer funds to DHCS pursuant to section 14164 and 14301.4 of the Welfare and Institutions Code, up to a maximum total amount of two million seven hundred twenty-nine thousand dollars (\$2,729,000), to be used solely as a portion of the nonfederal share of actuarially sound Medi-Cal managed care capitation rate increases for Health Net for the period January 1, 2013 through December 31, 2013 as described in section 2.2 below. The funds shall be transferred in accordance with a mutually agreed upon schedule between the City of Sacramento Fire Department and DHCS, in the amounts specified therein.

1.2 The City of Sacramento Fire Department shall certify that the funds transferred qualify for federal financial participation pursuant to 42 C.F.R. part 433 subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. For transferring units of government that are also direct service providers, impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

2. Acceptance and Use of Transferred Funds by DHCS

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the City of Sacramento Fire Department pursuant to this Agreement as intergovernmental transfers (“IGTs”), to use for the purpose set forth in section 2.2 below.

2.2 The funds transferred by the City of Sacramento Fire Department pursuant to this Agreement shall be used to fund a portion of the nonfederal share of increases in Medi-Cal managed care actuarially sound capitation rates described in paragraph (4) of subdivision (b) of section 14301.4 of the Welfare and Institutions Code and shall be paid, together with the related federal financial participation, by DHCS to Health Net as part of Health Net’s capitation rates for the period January 1, 2013 through December 31, 2013. The rate increases paid under section 2.2 shall be used for payments related to Medi-Cal services rendered to Medi-Cal beneficiaries. The rate increases paid under this section 2.2 shall be in addition to, and shall not replace or supplant, all other amounts paid or payable by DHCS or other State agencies to Health Net.

2.3 DHCS shall seek federal financial participation for the rate increases specified in section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge the State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services prior to the payment of any rate increase pursuant to section 2.2.

2.5 The parties agree that none of these funds, either the City of Sacramento Fire Department or federal matching funds will be recycled back to the City of Sacramento's general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement and their provider agreement constitute patient care revenues.

2.6 Within One Hundred Twenty (120) calendar days of the execution of this Agreement, DHCS shall advise the City of Sacramento Fire Department and Health Net of the amount of the Medi-Cal managed care capitation rate increases that DHCS paid to Health Net during the applicable rate year involving any funding under the terms of this Agreement.

2.7 If any portion of the funds transferred by the City of Sacramento Fire Department pursuant to this Agreement is not expended for the specified rate increases under Section 2.2, DHCS shall return the unexpended funds to the City of Sacramento Fire Department.

3. Amendments

3.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

3.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in section 2 of this Agreement.

4. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States first class, certified or registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the City of Sacramento Fire Department:

Denise Pinkston-Maas
City of Sacramento Fire Department
5770 Freeport Blvd.
Sacramento, CA 95822

To DHCS:

Sandra Dixon
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., Suite 71-4002
MS 4413
Sacramento, CA 95814

5. Other Provisions

5.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal rate increases for Health Net described in section 2.2 that are funded by the City of Sacramento Fire Department and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the City of Sacramento Fire Department and DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements already exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

5.2 The nonenforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

5.3 Section 2 of this Agreement shall survive the expiration or termination of this Agreement.

5.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals; accordingly, there shall be no third party beneficiary of this Agreement.

5.5 Time is of the essence in this Agreement.

5.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

6. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under federal and state law and regulations.

7. Approval. This Agreement is of no force and effect until signed by the parties.

8. Term. This Agreement shall be effective as of January 1, 2013 and shall expire as of December 31, 2015 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

The City of Sacramento Fire Department:

By: _____

Date: _____

John Shirey, City Manager, City of Sacramento

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____

Date: _____

Jennifer Brooks, Assistant Division Chief, Capitated Rates Development Division

HEALTH PLAN-PROVIDER AGREEMENT

AMENDMENT TO AGREEMENT BETWEEN ANTHEM BLUE CROSS AND CITY OF SACRAMENTO FIRE DEPARTMENT

AMENDMENT 1

This Amendment is made this ____ day of _____ (month/year), by and between Anthem Blue Cross, a California corporation licensed pursuant to Health and Safety Code section 1349 et seq. to act as a health plan hereinafter referred to as "PLAN", and City of Sacramento Fire Department, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective January 1, 2013;

WHEREAS, Section XIII of such Agreement provides for amending such Agreement;

WHEREAS, Anthem Blue Cross, a corporate entity licensed under Health and Safety Code Section 1349 et seq. has a contract with the State Department of Health Care Services pursuant to Welfare and Institutions Code Section 14087.3 to act as a Medi-Cal managed care plan. Anthem Blue Cross has subsequently entered into the Agreement referenced above, and amendments to it, to allow PROVIDER to render such services to Anthem Blue Cross Medi-Cal members in Sacramento County; and

WHEREAS, the City of Sacramento Fire Department provides 9-1-1 emergency medical response and transport for the City of Sacramento and in that capacity serves all patients in need, including Medi-Cal beneficiaries. Sacramento City Fire provides advanced life support paramedic services, including 12-lead ECG monitoring, advanced airway interventions and Advanced Cardiac Life Support medication consistent with the latest American Heart Association guidelines. SFD currently deploys thirteen 24-hour ALS ambulances and up to three flex ALS ambulances when additional staffing and equipment are available.

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the City of Sacramento Fire Department to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Addendum 1 of the Agreement is added to read as follows:

IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the City of Sacramento Fire Department specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds (“Intergovernmental Agreement”) effective for the period January 1, 2013 through December 31, 2013 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases (“IGT MMCRRIs”), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range (“LMMCRR”) IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Managed Care Organizations Tax

The PLAN shall be responsible for any Managed Care Organization (“MCO”) tax due pursuant to the Revenue and Taxation Code Section 12201 relating to any IGT MMCRRIs through June 30, 2013. If the PLAN receives any capitation rate increases for MCO taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MCO tax that PLAN is required to pay to the State DHCS, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(2) Medi- Cal Managed Care Seller’s Tax

The PLAN shall be responsible for any Medi-Cal Managed Care Seller’s (“MMCS”) tax due pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCRRIs through December 31, 2013. If the PLAN receives any capitation rate increases for MMCS taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MMCS tax that PLAN is required to pay to the State Board of Equalization, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(3) The Plan shall retain a two percent (2%) administrative fee based on the total amount of the IGT MMCRRIs received from DHS for PLAN’s cost to administer this program. Each provider’s share of the 2% fee shall be calculated based on that provider’s proportionate share of the LMMCRR IGT payments made by Plan in Sacramento County.

(4) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

- (1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;
- (2) maintain its current emergency response services for PLAN Medi-Cal beneficiaries.

D. Schedule and Notice of Transfer of Non-Federal Funds

The City of Sacramento Fire Department shall notify the PLAN within five business days after the City funds referred to in the Intergovernmental Transfer Agreement have been transferred to the State.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

- (1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).
- (2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment

amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the LMMCRR IGT Payments are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other City of Sacramento Fire Department funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the City of Sacramento Fire Department or federal matching funds will be recycled back to the City of Sacramento general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Sacramento County.

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by

PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN [or Health Plan] of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section VIII of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Section J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

J. Indemnification

Notwithstanding anything to the contrary contained in the Agreement, PROVIDER shall indemnify and hold PLAN harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN as a result of PLAN's receipt of IGT MMCRRIs or payment of LMMCRR IGT Payments, under the following circumstances:

(1) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any monies from or fails to provide any monies to PLAN, or PLAN is denied any monies to which it otherwise would have been entitled, for any reason relating to the Medi-Cal managed care capitation rate increases arising from the Intergovernmental Agreement as such increases flow through the Medi-Cal Agreement between PLAN and the State and this Agreement, including but not limited to (a) State DHCS' failure to treat the IGT MMCRRIs or LMMCRR IGT Payments as set forth in the applicable sections of the Intergovernmental Agreement; (b) the failure of the IGT MMCRRI Payments to qualify for federal participation pursuant to 42 C.F.R. part 433, subpart B; or (c) overpayment of IGT MMCRRI Payments to PLAN by State DHCS, PLAN shall have the right to request a refund of such amounts from PROVIDER. Upon confirmation, PROVIDER shall issue payment to PLAN within thirty (30) calendar days; however, if PROVIDER does not issue payment to PLAN within thirty (30) calendar days PLAN shall have a right to immediately recoup, offset or withhold any and all such amounts from payments otherwise due to PLAN. Recovery by PLAN pursuant to this section shall include, but not be limited to, reduction in future LMMCRR IGT Payments paid to PLAN in an amount equal to the amount of IGT MMCRRI Payments recovered from PLAN, or by reduction of any other amounts owed to PLAN, including a reduction of other payments owed by PLAN pursuant to any other agreement then existing between the parties;

(2) PLAN shall pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN acting reasonably determines that it is not in the best interest of PROVIDER to do so;

(3) PROVIDER shall either provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reasonable attorney's fees and costs from PROVIDER for such representation, in addition to any and all other relief to which PLAN may be entitled under the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRRI Payments or SPD Base Rate Increase Payments; or (ii) recoup, offset, or otherwise withhold any monies from PLAN relating to the IGT MMCRRRI Payments or LMMCCR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against the State DHCS, the Department of Health and Human Services or any other federal or state agency to (i) enforce or interpret the IGT MMCRRRI Payments or LMMCCR IGT Payments; or (ii) in response to an action described in subparagraph 1 or subparagraph 3(a) above.

(4) PLAN's obligation pursuant to this Section (J.) shall exist irrespective of whether PLAN receives any IGT MMCRRRI Payments or pays any LMMCCR IGT Payments pursuant to this Agreement.

2. Term

The term of this Amendment shall commence on January 1, 2013 and shall terminate on March 31, 2016.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN: _____

Date: _____

Steve Melody, President, Medicaid Health Plan for California

PROVIDER: _____

Date: _____

John Shirey, City Manager, City of Sacramento

HEALTH PLAN-PROVIDER AGREEMENT

AMENDMENT TO AGREEMENT BETWEEN MOLINA HEALTHCARE OF CALIFORNIA PARTNERS PLAN, INC. AND CITY OF SACRAMENTO FIRE DEPARTMENT

AMENDMENT 1

This Amendment is made this ___ day of _____ {month/year at time of signature}, by and between Molina Healthcare of California Partners Plan, Inc., a California corporation licensed pursuant to Health and Safety Code section 1349 et seq. to act as a health plan hereinafter referred to as "PLAN", and City of Sacramento Fire Department, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective January 1, 2013;

WHEREAS, Section XIII of such Agreement provides for amending such Agreement;

WHEREAS, Molina Healthcare of California Partners Plan, Inc., a corporate entity licensed under Health and Safety Code Section 1349 et seq. has a contract with the State Department of Health Care Services pursuant to Welfare and Institutions Code Section 14087.3 to act as a Medi-Cal managed care plan. Molina Healthcare of California Partner Plan, Inc. has subsequently entered into the Agreement referenced above, and amendments to it, to allow PROVIDER to render such services to Molina Healthcare of California Partner Plan, Inc. Medi-Cal members in Sacramento County; and

WHEREAS, the City of Sacramento Fire Department provides 9-1-1 emergency medical response and transport for the City of Sacramento and in that capacity serves all patients in need, including Medi-Cal beneficiaries. Sacramento City Fire provides advanced life support paramedic services, including 12-lead ECG monitoring, advanced airway interventions and Advanced Cardiac Life Support medication consistent with the latest American Heart Association guidelines. SFD currently deploys thirteen 24-hour ALS ambulances and up to three flex ALS ambulances when additional staffing and equipment are available.

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the City of Sacramento Fire Department to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Addendum 1 of the Agreement is added to read as follows:

IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the City of Sacramento Fire Department specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds (“Intergovernmental Agreement”) effective for the period January 1, 2013 through December 31, 2013 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases (“IGT MMCRRIs”), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range (“LMMCRR”) IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Managed Care Organizations Tax

The PLAN shall be responsible for any Managed Care Organization (“MCO”) tax due pursuant to the Revenue and Taxation Code Section 12201 relating to any IGT MMCRRIs through June 30, 2013. If the PLAN receives any capitation rate increases for MCO taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MCO tax that PLAN is required to pay to the State DHCS, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(2) Medi- Cal Managed Care Seller’s Tax

The PLAN shall be responsible for any Medi-Cal Managed Care Seller’s (“MMCS”) tax due pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCRRIs through December 31, 2013. If the PLAN receives any capitation rate increases for MMCS taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MMCS tax that PLAN is required to pay to the State Board of Equalization, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(3) The Plan shall retain a two percent (2%) administrative fee based on the total amount of the IGT MMCRRIs received from DHS for PLAN’s cost to administer this program. Each provider’s share of the 2% fee shall be calculated based on that provider’s proportionate share of the LMMCRR IGT payments made by Plan in Sacramento County.

(4) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

- (1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;
- (2) maintain its current emergency response services for PLAN Medi-Cal beneficiaries.

D. Schedule and Notice of Transfer of Non-Federal Funds

The City of Sacramento Fire Department shall notify the PLAN within five business days after the City funds referred to in the Intergovernmental Transfer Agreement have been transferred to the State.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

- (1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).
- (2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

- (a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the LMMCRR IGT Payments are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other City of Sacramento Fire Department funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the City of Sacramento Fire Department or federal matching funds will be recycled back to the City of Sacramento general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Sacramento County.

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN [or Health Plan] of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section VIII of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Section J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

J. Indemnification

PROVIDER shall indemnify PLAN in the event DHCS or any other federal or state agency recoups, offsets, or otherwise withholds any monies from or fails to provide any monies to PLAN, or PLAN is denied any monies to which it otherwise would have been entitled, as a direct result of the LMMCRR IGT arising from the Intergovernmental Agreement. Recovery by PLAN pursuant to this section shall include, but not be limited to, reduction in future LMMCRR IGTs paid to PROVIDER in an amount equal to the amount of MMCRRi payments withheld or recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER.

2. Term

The term of this Amendment shall commence on January 1, 2013 and shall terminate on March 31, 2016.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN: _____ Date: _____

Richard Chambers, President and Chief Executive Officer, Molina Healthcare of California Partners Plan, Inc.

PROVIDER: _____ Date: _____

John Shirey, City Manager, City of Sacramento

HEALTH PLAN-PROVIDER AGREEMENT

AMENDMENT TO AGREEMENT BETWEEN HEALTH NET AND CITY OF
SACRAMENTO FIRE DEPARTMENT

AMENDMENT 1

This Amendment is made this ___ day of _____ {month/year}, by and between Health Net of California, Inc., a California corporation licensed pursuant to Health and Safety Code section 1349 et seq. to act as a health plan hereinafter referred to as "PLAN", and City of Sacramento Fire Department, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective January 1, 2013;

WHEREAS, Section XIII of such Agreement provides for amending such Agreement;

WHEREAS, Health Net Community Solutions, Inc. (HNCS), a corporate entity licensed under Health and Safety Code Section 1349 et seq. has a contract with the State Department of Health Care Services pursuant to Welfare and Institutions Code Section 14087.3 to act as a Medi-Cal managed care plan. HNCS has contracted with Health Net of California, Inc. to fulfill its responsibilities for the provision of Medi-Cal covered services for eligible Medi-Cal members. Health Net of California, Inc. has subsequently entered into the Agreement referenced above, and amendments to it, to allow PROVIDER to render such services to HNCS Medi-Cal members in Sacramento County. For purposes of this Amendment, Health Net of California, Inc. and Health Net Community Solutions, Inc. shall collectively be referred to as "PLAN;"

WHEREAS, the City of Sacramento Fire Department provides 9-1-1 emergency medical response and transport for the City of Sacramento and in that capacity serves all patients in need, including Medi-Cal beneficiaries. Sacramento City Fire provides advanced life support paramedic services, including 12-lead ECG monitoring, advanced airway interventions and Advanced Cardiac Life Support medication consistent with the latest American Heart Association guidelines. SFD currently deploys thirteen 24-hour ALS ambulances and up to three flex ALS ambulances when additional staffing and equipment are available.

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the City of Sacramento Fire Department to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Addendum 1 of the Agreement is added to read as follows:

IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the City of Sacramento Fire Department specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds (“Intergovernmental Agreement”) effective for the period January 1, 2013 through December 31, 2013 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases (“IGT MMCRRIs”), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range (“LMMCRR”) IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Managed Care Organizations Tax

The PLAN shall be responsible for any Managed Care Organization (“MCO”) tax due pursuant to the Revenue and Taxation Code Section 12201 relating to any IGT MMCRRIs through June 30, 2013. If the PLAN receives any capitation rate increases for MCO taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MCO tax that PLAN is required to pay to the State DHCS, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(2) Medi- Cal Managed Care Seller’s Tax

The PLAN shall be responsible for any Medi-Cal Managed Care Seller’s (“MMCS”) tax due pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCRRIs through December 31, 2013. If the PLAN receives any capitation rate increases for MMCS taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MMCS tax that PLAN is required to pay to the State Board of Equalization, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(3) The Plan shall retain a two percent (2%) administrative fee based on the total amount of the IGT MMCRRIs received from DHS for PLAN’s cost to administer this program. Each provider’s share of the 2% fee shall be calculated based on that provider’s proportionate share of the LMMCRR IGT payments made by Plan in Sacramento County.

(4) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

- (1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;
- (2) maintain its current emergency response services for PLAN Medi-Cal beneficiaries.

D. Schedule and Notice of Transfer of Non-Federal Funds

The City of Sacramento Fire Department shall notify the PLAN within five business days after the City funds referred to in the Intergovernmental Transfer Agreement have been transferred to the State.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

- (1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).
- (2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the LMMCRR IGT Payments are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other City of Sacramento Fire Department funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the City of Sacramento Fire Department or federal matching funds will be recycled back to the City of Sacramento general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Sacramento County.

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN [or Health Plan] of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section VIII of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Section J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement notwithstanding, PROVIDER shall indemnify and hold PLAN harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN after the execution date of this Amendment as a result of PLAN's receipt of IGT rate increases or payment of LMMCRR IGT payments, including but not limited to the following circumstances:

(2) In the event that DHS, the Department of Human Health and Services or any other federal or state agency recoups, offsets, or otherwise withholds any monies from or fails to provide any monies to PLAN, or PLAN is denied any monies to which it otherwise would have been entitled, for any reason relating to the Medi-Cal managed care capitation rate increases arising from the Intergovernmental Agreement as such increases flow through the Medi-Cal Agreement between PLAN and the State and this Agreement, including but not limited to (a) State DHCS' use of IGT Rate Increases or LMMCRR IGT payments to supplant or replace other amount in violation of the restrictions in Section 2.2 of the Intergovernmental Agreement; (b) the failure of the IGT Rate Increases to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; or (c) overpayment of the IGT Rate Increases to PLAN by State DHCS, PLAN shall have a right to immediately recoup, offset or withhold any and all such amounts from payments otherwise due to PROVIDER. Recovery by PLAN pursuant to this section shall include, but not be limited to, reduction in future LMMCRR IGT payments paid to PROVIDER in an amount equal to the amount of IGT Rate Increases payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER.

2. Term

The term of this Amendment shall commence on January 1, 2013 and shall terminate on March 31, 2016.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN: _____ Date: _____

David Freidman, Vice President, State Health Programs, Health Net of California, Inc.

PROVIDER: _____ Date: _____

John Shirey, City Manager, City of Sacramento

INTERGOVERNMENTAL TRANSFER ASSESSMENT FEE

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“State DHCS”) and the City of Sacramento Fire Department with respect to the matters set forth below.

RECITALS

A. This Agreement is made pursuant to the authority of Welfare & Institutions Code, section 14301.4.

THEREFORE, the parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The City of Sacramento Fire Department shall make Intergovernmental Transfer(s) (“IGTs”) to State DHCS pursuant to section 14164 of the Welfare and Institutions Code and paragraph 1.1 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds contract number(s) TBD, to be used as a portion of the non-federal share of actuarially sound Medi-Cal managed care rate range capitation increases (“non-federal share IGT”) to Anthem Blue Cross for the period of January 1, 2013 through December 31, 2013.

1.2 The parties acknowledge that State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services (“CMS”) pertaining to the acceptance of non-federal share IGTs and the payment of non-federal share IGT related rate range capitation increases to Anthem Blue Cross.

2. Intergovernmental Transfer Assessment Fee

2.1 The State DHCS shall, upon acceptance of non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement, exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20-percent assessment fee on the entire amount of the non-federal share IGTs to reimburse State DHCS for the administrative costs of operating the IGT program pursuant to this section and for the support of the Medi-Cal program.

2.2 The funds subject to the 20-percent assessment fee shall be limited to non-federal share IGTs made by the transferring entity, City of Sacramento Fire Department, pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement.

2.3 The 20-percent fee will be assessed on the entire amount of the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement, and will be made in addition to, and transferred separately from, the transfer of funds pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds.

2.4 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to State DHCS separately from, and simultaneous to, the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement. However, if any portion of the non-federal share IGTs is not expended for the specified rate increases stated in paragraph 2.2 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, DHCS shall return a proportionate amount of the 20-percent assessment fee to the City of Sacramento Fire Department.

3. Other Provisions

3.1 This Agreement contains the entire Agreement between the parties with respect to the 20-percent assessment fee on non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the transferring entity and State DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements may exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

3.2 Time is of the essence in this Agreement.

3.3 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

4. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify State DHCS' powers, authorities, and duties under federal and state law and regulations.

5. Approval. This Agreement is of no force and effect until signed by the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

City of Sacramento Fire Department:

By: _____

Date: _____

John Shirey, City Manager, City of Sacramento

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____

Date: _____

Jennifer Brooks, Assistant Division Chief, Capitated Rates Development Division

INTERGOVERNMENTAL TRANSFER ASSESSMENT FEE

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1.1 The City of Sacramento Fire Department shall make Intergovernmental Transfer(s) (“IGTs”) to State DHCS pursuant to section 14164 of the Welfare and Institutions Code and paragraph 1.1 of the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds contract number(s) TBD, to be used as a portion of the non-federal share of actuarially sound Medi-Cal managed care rate range capitation increases (“non-federal share IGT”) to Molina Healthcare of California Partners Plan, Inc. for the period of January 1, 2013 through December 31, 2013.

1.2 The parties acknowledge that State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services (“CMS”) pertaining to the acceptance of non-federal share IGTs and the payment of non-federal share IGT related rate range capitation increases to Molina Healthcare of California Partners Plan, Inc.

2. Intergovernmental Transfer Assessment Fee

2.1 The State DHCS shall, upon acceptance of non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement, exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20-percent assessment fee on the entire amount of the non-federal share IGTs to reimburse State DHCS for the administrative costs of operating the IGT program pursuant to this section and for the support of the Medi-Cal program.

2.2 The funds subject to the 20-percent assessment fee shall be limited to non-federal share IGTs made by the transferring entity, City of Sacramento Fire Department, pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement.

2.3 The 20-percent fee will be assessed on the entire amount of the non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement, and will be made in addition to, and transferred separately from, the transfer of funds pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds.

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3. Other Provisions

3.1 This Agreement contains the entire Agreement between the parties with respect to the 20-percent assessment fee on non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the transferring entity and State DHCS. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. One or more other agreements may exist between the parties regarding such other matters, and other agreements may be entered into in the future. This Agreement shall not modify the terms of any other agreement between the parties.

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SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

City of Sacramento Fire Department:

By: _____ Date: _____

John Shirey, City Manager, City of Sacramento

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____ Date: _____

Jennifer Brooks, Assistant Division Chief, Capitated Rates Development Division

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1.2 The parties acknowledge that State DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services (“CMS”) pertaining to the acceptance of non-federal share IGTs and the payment of non-federal share IGT related rate range capitation increases to Health Net of California, Inc.

2. Intergovernmental Transfer Assessment Fee

2.1 The State DHCS shall, upon acceptance of non-federal share IGTs pursuant to the Intergovernmental Agreement(s) Regarding the Transfer of Public Funds, and as described in paragraph 1 of this Agreement, exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20-percent assessment fee on the entire amount of the non-federal share IGTs to reimburse State DHCS for the administrative costs of operating the IGT program pursuant to this section and for the support of the Medi-Cal program.

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Jennifer Brooks, Assistant Division Chief, Capitated Rates Development Division