

**Meeting Date:** 3/15/2016

**Report Type:** Consent

**Report ID:** 2016-00291

**Title: Agreement: Participation in the Rate Range Intergovernmental Transfer (IGT) Program**

**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 Agreement(s) 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 \$585,484 from the Fire Department operating budget to DHCS and accept a reimbursement for Medi-Cal services of \$956,290, of which \$585,484 will reimburse the Fire Department operating budget; and 3) authorizing designation of the additional federal reimbursement of \$370,806 to offset costs of providing Emergency Medical Services (EMS).

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

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

**Department:** Fire

**Division:** Office Of The Fire Chief Adm

**Dept ID:** 12001011

**Attachments:**

- 1-Description/Analysis
- 2-Health Plan Provider Agreement\_BC
- 3-Intergovernmental Agreement Regarding Transfer Of Public Funds
- 4-Intergovernmental Transfer Assessment Fee Agreement

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**City Attorney Review**

Approved as to Form  
Gary Lindsey  
3/7/2016 5:09:36 PM

**Approvals/Acknowledgements**

Department Director or Designee: Walter W. White - 3/4/2016 5:23:34 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 from the City to the 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. The State and Federal governments will review and provide approval of the documents the City submits to participate in the IGT program prior to any funds being sent to DHCS.

The City of Sacramento provides ambulance transports and meets the following IGT participation criteria:

1. Provides law enforcement services.
2. Has eminent domain authority.
3. Has taxing authority.

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

**Policy Considerations:** Participation in this program is consistent with Council's adopted Budget Guideline to pursue new and enhance existing revenue sources as well as Council's adopted Advanced Life Support (ALS) Revenue Recovery policy. In addition, 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:** Not Applicable

**Commission/Committee Action:** None

**Rationale for Recommendation:** The following agreements and amendment 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 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.
- c. **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, DHCS reviews the document. The MMCPPs participating in the program are Anthem Blue Cross, Molina Healthcare and HealthNet. However at this time, DHCS is only processing a preliminary six-month IGT for Anthem Blue Cross.

**Financial Considerations:** Upon approval of these agreements for Anthem Blue Cross, 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 period of July 1, 2014 through December 31, 2014 consistent with the ALS Revenue Recovery policy. In order to receive the reimbursement from Anthem Blue Cross, the City will be required to transfer \$585,484 to DHCS to cover the City's non-Federal share of the managed care costs. This amount includes the 20% fee assessed by the State to cover their administrative costs for operating the IGT program.

The City will recover our non-Federal share amount from the reimbursement received through the IGT program in the amount of \$956,290. This amount is net of the 2% administrative fee assessed by the MMCPP.

The funding for the City's contribution of \$585,484 to DHCS will come from the Fire Department's operating budget for Emergency Medical Services (EMS). The payment received from the MMCPP will reimburse EMS for the contribution. The additional reimbursement of \$370,806 will be used to offset the costs of providing EMS, consistent with the ALS Revenue Recovery policy.

**Local Business Enterprise (LBE):** Not applicable.



Requires Council Approval:  No  YES Meeting: 3/15/16

Real Estate  Other Party Signature Needed  Recording Requested

General Information

Form with fields: Type: Other, PO Type: Interagency Agreement, Attachment: Addendum No.: 3, Original Doc Number: 2015-0108, Other Party: Anthem Blue Cross, Project Name: Health Plan-Provider Agreement (Amendment 3), Deed: [X] None, Project Number: N/A, Bid Transaction #: N/A, E/SBE-DBE-M/WBE: N/A

Department Information

Department: Fire Division: Office of the Fire Chief
Project Mgr: Walt White Supervisor: Denise Pinkston-Maas
Contract Services: Iysha Jenkins Date: 02/29/16 Division Mgr: Walt White
Phone Number: 808-8569 Org Number: 12001031
Comment:

Review and Signature Routing

Table with columns: Department, Signature or Initial, Date. Rows for Project Mgr, Accounting, Contract Services, Supervisor, Division Manager.

City Attorney Signature or Initial Date
City Attorney: [Signature] 2/29/2016

Send Interoffice Mail  Notify for Pick Up

Authorization Signature or Initial Date
White, Walt
Department Director:
City Mgr: yes [X] No [ ]

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)

For City Clerk Processing
Finalized: Initial: [ ] Date: [ ]
Imaged: Initial: [ ] Date: [ ]
Received: (City Clerk Stamp Here) [ ]

HEALTH PLAN-PROVIDER AGREEMENT

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

AMENDMENT 3

This Amendment is made this 9<sup>th</sup> day of March 2016 (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 the City of Sacramento via its 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 California Department of Health Care Services (State DHCS) 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 via its 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 fifteen 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 via its Fire Department to the 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:

Amendment 3 of the Agreement is added to read as follows:

**2014-15 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 via its Fire Department specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds (“Intergovernmental Agreement”) effective for the period July 1, 2014 through June 30, 2015 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) 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 June 30, 2015. 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.

(2) The Plan shall retain a two percent (2%) administrative fee based on the total amount of the IGT MMCRRIs received from DHCS 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.

(3) 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 via its 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 MLCRRIs 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 for which the payments are received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the retained LMMCRR IGT Payments, if any, 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 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 via its 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 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 MMCRRI's 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 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 MMCRRI Payments or SPD Base Rate Increase Payments; or (ii)

recoup, offset, or otherwise withhold any monies from PLAN relating to the IGT MMCRRI 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 MMCRRI 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 MMCRRI Payments or pays any LMMCCR IGT Payments pursuant to this Agreement.

**K. Remittance Information**

The IGT-funded payments made by the PLAN pursuant to this Amendment only shall be mailed to the PROVIDER at the address set forth below:

Denise Pinkston-Maas, Support Services Manager  
City of Sacramento Fire Department  
5770 Freeport Blvd. Suite 200  
Sacramento, CA95822-3516

**Term**

The term of this Amendment shall commence on July 1, 2014 and shall terminate on September 30, 2017.

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: 3/9/16

Steve Melody, President, Medicaid Health Plan for California

PROVIDER: \_\_\_\_\_

Date: \_\_\_\_\_

John Shirey, City Manager, City of Sacramento

APPROVED AS TO FORM:

  
CITY ATTORNEY



Requires Council Approval:  No  YES Meeting: 3/15/16

Real Estate  Other Party Signature Needed  Recording Requested

General Information

Form with fields: Type: Other, PO Type: Interagency Agreement, Attachment: Original No., Original Doc Number, Other Party: California Department of Health Care Services (DHCS), Certified Copies of Document: 5, Project Name: Intergovernmental Agreement regarding Transfer of Public Funds for Anthem Blue Cross, Deed: [X] None, [ ] Included, [ ] Separate, Project Number: N/A, Bid Transaction #: N/A, E/SBE-DBE-M/WBE: N/A

Department Information

Department: Fire Division: Office of the Fire Chief
Project Mgr: Walt White Supervisor: Denise Pinkston-Maas
Contract Services: Iysha Jenkins Date: 02/29/16 Division Mgr: Walt White
Phone Number: 808-8569 Org Number: 12001031
Comment:

Review and Signature Routing

Table with columns: Department, Signature or Initial, Date. Rows for Project Mgr, Accounting, Contract Services, Supervisor, Division Manager.

City Attorney Signature or Initial Date
City Attorney: [Signature] 2/29/16

[ ] Send Interoffice Mail [X] Notify for Pick Up

Authorization Signature or Initial Date
White, Walt
Department Director:
City Mgr: yes [X] No [ ]

For City Clerk Processing
Finalized:
Initial:
Date:
Imaged:
Initial:
Date:
Received:
(City Clerk Stamp Here)



**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 via its 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 via its 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 four hundred eighty-seven thousand, nine hundred and three dollars (\$487,903), 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 July 1, 2014 to June 30, 2015 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 via its Fire Department and DHCS, in the amounts specified therein.

1.2 The City of Sacramento via its 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 via its 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 via its 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’ capitation rates for the period July 1, 2014 through June 30, 2015. 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 via its 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 via its 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 via its 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 via its 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:

Kimberlie Gladden and Robert Tokunaga  
City of Sacramento – Office of the City Treasurer  
915 I Street  
Historic City Hall, Third Floor  
Sacramento, CA 95814

With copies to:

Denise Pinkston-Maas, Support Services Manager  
City of Sacramento Fire Department  
5770 Freeport Blvd., Suite 200  
Sacramento, CA 95822-3516

To the Plan:

Robin Carroll, Regional Director Provider Engagement & Contracting  
Anthem Blue Cross  
21555 Oxnard Street  
Woodland Hills, CA 91367

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 via its Fire Department and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the City of Sacramento via its 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 July 1, 2014 and shall expire as of June 30, 2017 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.

APPROVED AS TO FORM:

THE CITY OF SACRAMENTO FIRE DEPARTMENT:

*Handwritten signature and date 2/29/16*  
CITY ATTORNEY

By: \_\_\_\_\_

Date: \_\_\_\_\_

John Shirey, City Manager, City of Sacramento

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Jennifer Lopez, Acting Division Chief, Capitated Rates Development Division



Requires Council Approval:  No  YES Meeting: 3/15/16

Real Estate  Other Party Signature Needed  Recording Requested

General Information

Form with fields: Type: Other, PO Type: Interagency Agreement, Attachment: Original No., Original Doc Number, Other Party: California Department of Health Care Services (DHCS), Certified Copies of Document: 5, Project Name: Intergovernmental Transfer Assessment Fee Agreement for Anthem Blue Cross, Deed: [X] None, [ ] Included, [ ] Separate, Project Number: N/A, Bid Transaction #: N/A, E/SBE-DBE-M/WBE: N/A

Department Information

Department: Fire Division: Office of the Fire Chief
Project Mgr: Walt White Supervisor: Denise Pinkston-Maas
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Phone Number: 808-8569 Org Number: 12001031
Comment:

Review and Signature Routing

Table with columns: Department, Signature or Initial, Date. Rows for Project Mgr, Accounting, Contract Services, Supervisor, Division Manager.

Table with columns: City Attorney, Signature or Initial, Date. Row for City Attorney.

Send Interoffice Mail  Notify for Pick Up

Table with columns: Authorization, Signature or Initial, Date. Row for White, Walt Department Director, City Mgr: yes [X] No [ ]

For City Clerk Processing
Finalized: Initial: Date:
Imaged: Initial: Date:
Received: (City Clerk Stamp Here)



**INTERGOVERNMENTAL TRANSFER ASSESSMENT FEE**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“State DHCS”) and the City of Sacramento via its 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 via its 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 14-90519, 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 July 1, 2014 to June 30, 2015.

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 via its 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 via its 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.

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 Lopez, Acting Division Chief, Capitated Rates Development Division

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY