



REPORT TO COUNCIL

City of Sacramento

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STAFF REPORT
July 24, 2007

Honorable Mayor and
Members of the City Council

**Title: Agreements: Reimbursements for Medi-Cal Administrative Activities (MAA)
Related to the Cover the Kids (CTK) Program**

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) authorizing the City Manager to execute agreements with the County of Sacramento for MAA reimbursements for the following Fiscal Years 2003-2004, 2004-2005 and 2005-2006 in amounts not to exceed \$200,000 per fiscal year, totaling \$600,000; 2) authorizing the City Manager to execute an amendment to the Fiscal Year 2004-2005 MAA agreement with the County of Sacramento to receive an additional reimbursement of \$60,000 for that period; 3) authorizing the City Manager to execute an agreement with the County of Sacramento for future MAA reimbursements for Fiscal Years 2007-2011 in amounts not to exceed \$300,000 per fiscal year, totaling \$1,500,000; and 4) authorizing the City Manager to execute any future amendments to contracts with the County of Sacramento, when received and subject to City Attorney approval as to form, related to MAA reimbursements for Fiscal Years 2004-2011.

Contact: Sylvia Fort, Recreation Manager, 808-8381; Bonnie Ferreira, Program Specialist, 808-1590; Jonathan Rewers, Parks and Recreation Analyst, 808-7590

Presenters: Sylvia Fort, Recreation Manager, 808-8381; Bonnie Ferreira, Program Specialist, 808-1590; Jonathan Rewers, Parks and Recreation Analyst, 808-7590

Department: Parks and Recreation

Division: Recreation Administration

Organization No: 4715

Description/Analysis

Issue: The Medi-Cal Administrative Activities (MAA) program was established under Title XIX of the Social Security Act and promulgated in California through Title 22. The MAA Program offers a way for local governmental agencies and local educational consortia to obtain federal reimbursement for the cost of certain administrative activities necessary for the proper and efficient administration of the Medi-Cal program. The Department of Health Services (DHS) at the state level and Centers for Medicaid and Medi-Care (CMS) at the Federal level administer the program. Sacramento County is the Local Government Agency (LGA) that all

claims must go through. The Cover the Kids Program (CTK), administered by the City of Sacramento, provides outreach, enrollment, retention and utilization services to families in order to obtain, retain and utilize health insurance. Within the MAA program, a claiming plan is developed in advance to show which administrative activities that CTK intends to participate in are eligible for reimbursement. On average, this has resulted in approximately \$200,000 per year in revenue available to the City to deliver services and administer the CTK Program.

Executed agreements with the County of Sacramento are necessary to guarantee that the City can access the reimbursements necessary for past and on-going operations of CTK currently up to, \$2,160,000. City Council approval of the four agreements for Fiscal Years 2004-2011 and related amendment is required, as the City will be reimbursed for administration of the services provided.

Policy Considerations: Staff's recommendation is consistent with policies in the City Council adopted *2005-2010 Parks and Recreation Master Plan* including:

Policy 12.1: Actively pursue and formalize partnership agreements with a broad range of public and private entities,

Policy 12.7: In partnership with other agencies, promote provision of a complete continuum of care in social services for all residents, participating in varied roles in their delivery.

Support for the CTK Program is consistent with the City's strategic plan to achieve sustainability and livability throughout the City.

Committee/Commission Action: The Governing Board for the Cover the Kids Program was briefed and supported staff's recommendation to pursue MAA eligible reimbursements at its August 31, 2006 meeting.

Environmental Considerations: Staff's recommendation concerns administrative activities that will not have any significant effect on the environment and that do not constitute a "project," as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

Rationale for Recommendation: The CTK Program charter focuses on two areas: 1) enrolling eligible children in existing health programs; and 2) creating an additional insurance product for those children that are ineligible up to 300% of the federal poverty line. The City of Sacramento is eligible for reimbursements for administrative activities related to the CTK Program. In order to fully receive the eligible MAA reimbursements the City Council must approve the recommended agreements for Fiscal Years 2003-2004, 2004-2005 and 2005-2006. These funds are critical to pay for costs related to the daily operations and management of the CTK Program, so that other operating grant sources and General Fund resources can be used to provide direct services to the community. Agreements where the City receives payment or reimbursement for providing services require City Council approval.

In Fiscal Year 2004-2005, the City qualified for reimbursements exceeding the average amount of \$200,000 per fiscal year. Original estimates for eligible MAA reimbursements are based on a time study completed in the month of October during a fiscal year. Final reconciliation of eligible costs and eligible reimbursements are not completed until early in the following fiscal year, when the year-end close process occurs. For FY 2004-2005, the City is eligible for up to \$60,000 in additional funds. Approval of this amendment is required by the City Council, because the City is receiving reimbursement for providing services.

In order to more efficiently manage MAA reimbursements in the future, staff is recommending that the City Council approve a 5-year agreement with the County of Sacramento for future MAA reimbursements through FY 2011 as well as future amendments with the County of Sacramento for those fiscal years, when the City's reimbursement may exceed the average of \$300,000 per fiscal year.

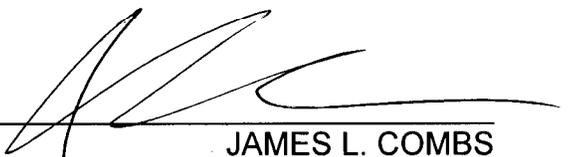
Financial Considerations: The City is eligible to receive up to \$600,000 in eligible MAA reimbursements from the County of Sacramento for administrative costs associated with the CTK Program from Fiscal Years 2003-2004, 2004-2005 and 2005-2006. The City is eligible to receive an additional reimbursement of \$1,500,000 for Fiscal Years 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011. Staff is recommending that the City Council approve a 5-year agreement with the County of Sacramento to ensure that the City can be eligible for these reimbursements.

These funds are used to offset operational, administrative and other overhead costs related to the daily operations of the CTK Program, allowing accepted operating grants to be maximized for direct services to the community and reducing any possible impacts to the City's General Fund for operation of the program. MAA funds are set aside in multi-year operating grants and are allocated based on the overall annual budget of the CTK Program. These funds are critical to ensure the long-term stability of the program.

Authorization for the City Manager to adjust the relevant revenue and expenditure budgets was given as part of the City Council's approval of the Fiscal Year 2007-2008 budget resolution (Resolution #2007-404).

Emerging Small Business Development (ESBD): Not applicable. There are no ESBD considerations with this report.

Respectfully Submitted by:



JAMES L. COMBS
Director of Parks and Recreation

Recommendation Approved:


RAY KERRIDGE
City Manager

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Background:

Cover the Kids (CTK), has been coordinating outreach, enrollment, application assistance, retention and utilization services since late 1998. Cover the Kids (CTK) is a broad-based collaborative partnership that represents both public and private entities. The Board of Directors is co-chaired by the Mayor Heather Fargo and Supervisor Roger Dickinson and is comprised of key representatives from local hospitals, county health service agencies, community clinics, education, funding institutions and businesses. CTK expanded its efforts in 2003 and has developed a comprehensive plan to provide medical, dental and vision coverage to over 25,000 uninsured children in Sacramento County.

CTK assists families with the enrollment process as well as case management services to help them utilize and maintain coverage. This includes:

- School and community-based outreach that is linguistically and culturally appropriate for the diverse Sacramento population;
- Operation of a local toll-free information hotline to answer parent's questions about how to access health care for their children;
- Application assistance provided at neighborhood and school locations in several languages;
- Timely follow-up to ensure enrollment has occurred and coverage is maintained;
- Education on how to use their health coverage program, and
- Assistance, when necessary, in making medical appointments

CTK also has out stationed Certified Application Assistants (CAA's) at over 15 sites through out Sacramento County with the highest rates of uninsured children. This includes community centers, WIC programs, community clinics and county clinic/offices, career centers and schools. To date CTK has assisted more than 25,000 children in Sacramento County in accessing affordable health care programs.

The Medi-Cal Administrative Activities (MAA) program was established under Title XIX of the Social Security Act and promulgated in California through Title 22. The MAA Program offers a way for local governmental agencies and local educational consortia to obtain federal reimbursement for the cost of certain administrative activities necessary for the proper and efficient administration of the Medi-Cal program. The Department of Health Services (DHS) at the state level and Centers for Medicaid and Medi-Care (CMS) at the Federal level administer the program. Within the MAA program, a claiming plan is developed in advance to show which activities that CTK intends to participate. A time survey is conducted annually to determine the percentage of claiming. CTK must provide 100% of the Certified Public Expense (CPE), an expense that is recorded on the City, County or state general ledger, as defined in 42 CFR 433.51 and then, based on the percentage of the time survey and other calculations, a reimbursement is determined through the invoice process. This is done through a MAA consultant that is hired by CTK. Additionally the funding source worksheet, used to record the source of funds used to support the program unit, states that Federal Funds must be offset and not used as the source of revenue to pay for the CPE. Sacramento County is the Local Government Agency (LGA) that all claims must go through.

RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

July 24, 2007

**REIMBURSEMENTS FOR MEDI-CAL ADMINISTRATIVE ACTIVITIES (MAA)
REIMBURSEMENTS RELATED TO THE COVER THE KIDS (CTK) PROGRAM**

BACKGROUND

- A. The Cover the Kids Program (CTK), administered by the City of Sacramento, provides outreach, enrollment, retention and utilization services to families in order to obtain, retain and utilize health insurance. CTK is a broad-based collaborative partnership that represents both public and private entities.
- B. The Medi-Cal Administrative Activities (MAA) program was established under Title XIX of the Social Security Act and promulgated in California through Title 22. Sacramento County is the Local Government Agency (LGA) that all claims must go through.
- C. Executed agreements with the County of Sacramento are necessary to guarantee that the City can access the reimbursements necessary for past and on-going operations of the CTK Program.
- D. The City is eligible to receive up to \$600,000, \$200,000 per fiscal year, in eligible MAA reimbursements from the County of Sacramento for administrative costs associated with the CTK Program from Fiscal Years 2003-2004, 2004-2005 and 2005-2006. In FY 2004-2005, the City is eligible for up to \$60,000 in additional funds.
- E. The City is eligible to receive an additional reimbursement of \$1,500,000 for Fiscal Years 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011.
- F. In order to more efficiently manage MAA reimbursements in the future a 5-year agreement with the County of Sacramento is being recommended for future MAA reimbursements through FY 2011 as well as future amendments with the County of Sacramento for those fiscal years, when the City's reimbursement may exceed the average of \$300,000 per fiscal year.
- G. Authorization for the City Manager to adjust the relevant revenue and expenditure budgets was given as part of the City Council's approval of the Fiscal Year 2007-2008 budget resolution (Resolution #2007-404).

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The City Manager is authorized to execute agreements with the County of Sacramento for MAA reimbursements for the following Fiscal Years 2003-2004, 2004-2005 and 2005-2006 in amounts not to exceed \$200,000 per fiscal year, totaling \$600,000.
- Section 2. The City Manager is authorized to execute an amendment to the 2004-2005 MAA agreement with the County of Sacramento to receive an additional \$60,000 for that period.
- Section 3. The City Manager is authorized to execute an agreement with the County of Sacramento for future MAA reimbursements for Fiscal Years 2007-2011 in amounts not to exceed \$300,000 per fiscal year, totaling \$1,500,000.
- Section 4. The City Manager is authorized to execute any future amendments to contracts with the County of Sacramento, when received and subject to City Attorney approval as to form, related to MAA reimbursements for Fiscal Years 2004-2011.