

HEALTH PLAN-PROVIDER AGREEMENT

Partnership HealthPlan of California and Mendocino County Health and Human Services Agency

AMENDMENT 3

This Amendment is made this 21st day of June 2016, by and between Partnership HealthPlan of California, a County Organized Health System hereinafter referred to as "PLAN", and Mendocino County Health and Human Services Agency, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective 7/21/2011;

WHEREAS, Section 9.2 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN has been created by its Boards of Supervisors to negotiate exclusive contracts with the California Department of Health Care Services and to arrange for the provision of health care services to qualifying individuals in Mendocino County and PLAN is a public entity, created pursuant to Welfare and Institutions Code 14087.54 and County Code Chapters 7.2, County Code Chapters 34, County Code Chapters 2.40, County Code Chapters 2.0, 8.69, and County Code Chapters 2.0;

WHEREAS, PROVIDER is a department of the County of Mendocino that provides many medical care services to PLAN beneficiaries, including but not limited to home visiting and care coordination, Maternal and Child Health Services, Communicable Disease Control services, including laboratory testing and treatment of drug resistant TB patients, behavioral health and substance abuse treatment, including enhanced AOD services for pregnant women; and

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 County of Mendocino 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:

Attachment D of the Agreement is added to amend the agreement as follows:

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 County of Mendocino 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 three percent (3%) administrative fee based on the total amount of the IGT MMCRRIs received from DHCS for PLAN'S administrative costs. Each provider's share of the 3% fee shall be calculated based on that provider's proportionate share of the LMMCRR IGT payments made by Plan in the PROVIDER'S 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 capacity to serve as a provider of public health services, medical care and EMS services.

(3) provide to PLAN an MOU that describes a mutually acceptable set of additional health services and programs to be provided to Medi-Cal enrollees by PROVIDER with LMMCRR IGT Payments retained by PROVIDER pursuant to F. (1)(b) of this Agreement. The additional health services shall be provided to PLAN members according to PLAN Board policy and identified priorities.

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

PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of funds to State DHCS, referred to in the Intergovernmental Agreement, within fifteen (15) calendar days of the PROVIDER establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

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 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 County of Mendocino 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 County of Mendocino or federal matching funds will be recycled back to the County of Mendocino'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 Mendocino 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 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 10.3 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.

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:

Mary Alice Willeford, Staff Services Administrator
Mendocino County Health & Human Services Agency
1120 South Dora Street
Ukiah, CA 95482

2. 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: Elizabeth Gibboney Date: 5/28/17

By: Elizabeth Gibboney, CEO, Partnership HealthPlan of California

PROVIDER: Tammy Moss Chandler Date: 6/14/16

By: Tammy Moss Chandler, Director, Mendocino County Health and Human Services Agency

COUNTY OF MENDOCINO

By: Dan Gjerde
DAN GJERDE, Chair
BOARD OF SUPERVISORS

JUN 21 2016

**COUNTY COUNSEL REVIEW:
APPROVED AS TO FORM:**

KATHARINE L. ELLIOTT,
County Counsel

By: Katharine Elliott
Deputy

ATTEST:

CARMEL J. ANGELO, Clerk of said Board

By: Carmel J. Angelo
Deputy

FISCAL REVIEW:

By: Tammy Moss Chandler
Deputy CEO/Fiscal

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

CARMEL J. ANGELO, Clerk of said Board

EXECUTIVE OFFICE REVIEW:

APPROVAL RECOMMENDED

By: Carmel J. Angelo
Deputy

By: Carmel J. Angelo

CARMEL J. ANGELO, Chief Executive Officer

**INSURANCE REVIEW:
RISK MANAGER**

By: Alan D. Flora
ALAN D. FLORA, Risk Manager