



HEALTH SERVICES AGENCY
ADMINISTRATION

COUNTY OF SANTA CRUZ ¹¹⁵

HEALTH SERVICES AGENCY

POST OFFICE BOX 962, 1080 EMELINE AVENUE
SANTA CRUZ, CA 95061-0962
(408) 454-4066 FAX: (408) 454-4488
TDD: (408) 454-4123

January 15, 1999

AGENDA: February 2, 1999

BOARD OF SUPERVISORS

Santa Cruz County
701 Ocean Street
Santa Cruz, CA 95060

RE: STANDARD AGREEMENT FOR THE CALIFORNIA HEALTHCARE FOR INDIGENTS PROGRAM FOR FISCAL YEAR 1998-99

Dear Board Members:

On August 4, 1998 your Board authorized the Health Services Agency Administrator to sign the Application for California Healthcare for Indigents Program (CHIP) Funding for Fiscal Year 1998-99. That application contained assurances the County makes to the State regarding compliance with the provisions of law applicable to receipt and use of Tobacco Tax funds. In response to the County's Application for Funding, the State has recently sent the Standard Agreement for California Healthcare for Indigents Program Funding for Fiscal Year 1998-99 for execution by the County. A copy of the Standard Agreement is on file with the Clerk of the Board and a copy has been distributed to each Board member. The Standard Agreement contains the same requirements and assurances to which the County agreed in the application for funds. Execution of the Standard Agreement is necessary to complete the CHIP funding process as required by the Tobacco Tax legislation.

CHIP allocation tables were distributed to the counties in the Fall after they were finalized by the State. This years allocation tables indicate that overall CHIP funding for Santa Cruz County is decreased by 0.3 percent for a total of \$1,184,812. Hospital Account revenues are increased by \$3,179,600 or 3.8 percent while the Other Services account decreased \$34,991 or 14 percent. The Physician Services account remained virtually unchanged.

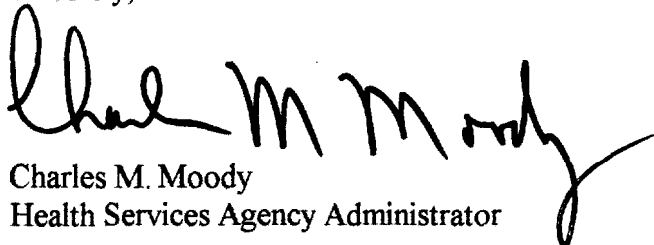
Board of Supervisors
 February 2, 1999
 Page 2

The CHIP allocation amounts mentioned above are not guaranteed by the Standard Agreement. The allocations are subject to change based on actual revenue collected. Final CHIP funding can be reduced per paragraph 37 of the Agreement if actual Tobacco Tax revenues collected by the State are not sufficient to support budgeted allocations.

Execution of this Standard Agreement is required for the County to receive the balance of its allocation. Failure to execute the agreement would require the repayment of funds that have advanced to the County for this fiscal year based on the application previously submitted.

It is, therefore, **RECOMMENDED** that your Board authorize the Health Services Agency Administrator to sign the Standard Agreement for California Healthcare for Indigents Program Funding for Fiscal Year 1998-99.

Sincerely,

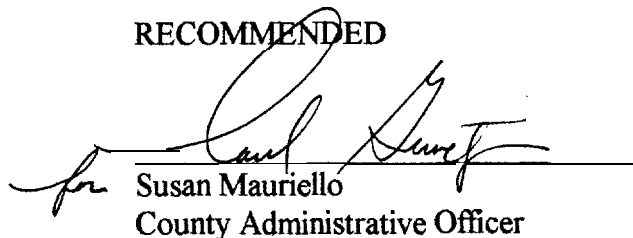


Charles M. Moody
 Health Services Agency Administrator

attach.

CM:RV

RECOMMENDED



Susan Mauriello
 County Administrative Officer

cc: County Administrative Officer
 Auditor-Controller
 County Counsel
 Medi-Cruz Administrator

CHPSA989.doc

COUNTY OF SANTA CRUZ

REQUEST FOR APPROVAL OF AGREEMENT

117

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: HEALTH SERVICES AGENCY (Dept.)
Signature: [Handwritten Signature] (Signature) 1/20/99 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

1. Said agreement is between the Health Services Agency (Agency) and State Department of Health Services, 714/744 P. Street, Sacramento, CA (Name & Address)

2. The agreement will provide funding under the California Healthcare for Indigents Program.

3. The agreement is needed to secure Tobacco Tar revenue available to the County and local health care providers.

4. Period of the agreement is from July 1, 1998 to June 30, 1999

5. Anticipated cost is \$ N/A (Fixed amount; Monthly rate; Not to exceed)

6. Remarks: Revenue Agreement Total \$ 1,184, 8 / 3 - y -

7. Appropriations are budgeted in 365002 10674 214441 (Index#) (Subobject)
10676 93233

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered. Contract No. R-672 Date 1/25/99
GARY A. KNUTSON, Auditor - Controller
By Linda Chou Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the to execute the same on behalf of the (Agency).

Remarks: [Handwritten Signature] (Analyst) By [Handwritten Signature] Date 1/25/99

Agreement approved as to form. Date

- Distribution: Bd. of Supv. - White
Auditor-Controller - Blue
County Counsel -
Co. Admin. Officer - Canary
Auditor-Controller - Pink
Originating Dept. - Goldenrod

State of California)
County of Santa Cruz) ss
I ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order entered in the minutes of said Board on County Administrative Officer Deputy Clerk

STANDARD AGREEMENT
FOR
CALIFORNIA HEALTHCARE FOR INDIGENTS PROGRAM FUNDING
FOR
FISCAL YEAR 1998-99

The State of California, by and through the Department of Health Services (hereinafter called the "Department") and the County of Santa Cruz (hereinafter called the "County") in consideration of the covenants, conditions, agreements, and stipulations hereinafter expressed, do hereby agree as follows:

This Agreement is entered into pursuant to the provisions of the Welfare and Institutions (W&I) Code, Section 16900 et sea. The definitions of terms used in this Agreement shall be determined under W&I Code, Section 16900 et seu. In the event of a subsequent statutory amendment or Budget Act language to W&I Code, Section 16900 et seq., the amended statute shall be controlling.

As a condition of receiving California Healthcare for Indigents Program funds (hereinafter called CHIP funds), the County agrees to all of the following statutory provisions:

GENERAL REQUIREMENTS

1. (a) CHIP funds shall be expended to supplement existing levels of services provided and shall not be used to fund existing levels of services.
(Section 23 of Chapter 199, Statutes of 1996 - Assembly Bill [AB] 3487)
- (b) CHIP funds shall not be used to support health services provided to persons detained in a county or city jail or other correctional facility.
(W&I Code Section 16995)
- (c) All providers receiving any CHIP funds shall not require a fee or charge before they render medically necessary services to persons entitled to services supported by CHIP funds.
(W&I Code Sections 16942(a) and 16804.1)
- (d) Accepting CHIP funds does not relieve the County of its obligation to provide indigent health care as required by W&I Code Section 17000.
(W&I Code Section 16995.1)

(e) Facilities receiving CHIP funds shall be required to provide individual notice at the time treatment is sought as to the availability of reduced cost health care and conspicuously post notices of the procedures for applying for reduced cost health care in all emergency rooms and **patient** waiting rooms for services supported by CHIP funds.

(W&I Code Sections 16942(a) and 16818)

2. (a) **As a condition** of receiving CHIP funds, it shall provide, or arrange and pay for, medically necessary follow-up treatment, including prescription drugs and necessary follow-up dental treatment at least equal in scope and frequency to dental services available to Medi-Cal eligible children of the same age, for any condition detected as part of a Child Health and Disability Prevention (CHDP) screen for any child eligible for services under Section 104395 of the Health and Safety Code, if the child was screened by the County, or upon referral by a child health and disability prevention program provider, unless the child is eligible to receive care with no share of cost under the Medi-Cal program, or is covered under another **publicly** funded program, or the services are payable under private insurance coverage.

(W&I Code Sections 16970(a) and (c))

(b) Noncounty hospitals which receive a formula allocation pursuant to paragraph 10, and physicians who receive payment from the Physician Services Account of the Emergency Medical Services (EMS) fund established pursuant to paragraph 25 shall not be required to participate in complying with the CHDP treatment provisions of paragraph 2(a) as a condition of receiving those allocations or payments.

(W&I Code Section 16970(b) (1))

(c) Only providers which contract with the County and receive payments of Noncounty Hospital Discretionary, Physician New Contract, and Other Health Services funds specified in paragraphs 12, 30, **and 31** may be required to participate in complying with the **CHDP** treatment provisions of paragraph 2(a) as a condition of receiving those payments.

(W&I Code Section 16970(b) (2))

(d) The CHDP treatment provisions of paragraph 2(a) shall be implemented **in consultation and** coordination with the County's CHDP program.

(W&I Code Section 16970(d))

ADMINISTRATION OF FUNDS

3. Prior to transferring or expending any CHIP funds received, the County shall:

(a) Deposit the CHIP funds received in a special revenue fund or trust fund (hereinafter called the Fund) established solely for the purposes of the provisions of Part 4.7 (commencing with Section 16900) of Division 9 of the W&I Code.

(W&I Code Sections 16909(a) and (b))

(b) Establish a hospital services account in the Fund and deposit all hospital funds received pursuant to paragraph 9 in that account. The County further assures that it shall establish a noncounty hospitals subaccount in the hospital services account and deposit all noncounty hospital formula and discretionary funds received pursuant to paragraphs 10 and 12 in that subaccount. If the County owns and operates a county hospital, the County further assures that it shall establish a county hospital subaccount in the hospital services account and deposit all county hospital discretionary funds received pursuant to paragraph 15 in that subaccount.

(W&I Code Sections 16909(a) and (b))

(c) Establish a Physician Services Account in the Fund and deposit all Physician Services funds received pursuant to paragraph 24 in that account. The County further assures that it shall establish an EMS Subaccount in the Physician Services Account and deposit all Physician Services funds proposed for expenditure pursuant to paragraph 25 in that subaccount prior to transferring the funds to any other account. If the County chooses to expend Physician New Contract funds pursuant to paragraph 30, the County assures that it shall establish a Physician New Contract Subaccount in the Physician Services Account and deposit all Physician New Contract funds proposed for expenditure pursuant to paragraph 30 in that subaccount.

(W&I Code Sections 16909(a) and (b))

(d) Establish an Other Health Services Account in the Fund and deposit all Other Health Services funds received pursuant to paragraph 31 in that subaccount.

(W&I Code Sections 16909(a) and (b))

INTEREST EARNINGS ON THE FUND

4. (a) All interest earned on the Fund and on each account or subaccount shall be accrued to the benefit of the Fund, account, or subaccount, respectively, and all accrued interest shall be expended for the same purposes as the other funds in the Fund, accounts, or subaccounts, respectively. (W&I Code Section 16909(c) (1))

(b) All interest or other increments earned on the Noncounty Hospitals Subaccount shall be expended on noncounty hospitals pursuant to the provisions of paragraphs 10 and 12.
(W&I Code Section 16909(c) (2))

ADMINISTRATIVE COSTS

5. County administrative costs associated with the administration of the Fund and each account or subaccount shall be reimbursed from the Fund, account, or subaccount, respectively. The County further assures that it shall not reduce or utilize Noncounty Hospital Formula funds received pursuant to paragraph 10 to offset the costs of administering the Noncounty Hospital Services Subaccount.
(W&I Code Sections 16909.1 and 16946(b)(1)(E))

REPORTING

6. (a) Information on programs and services which shall receive CHIP funds shall be included in the County's Description of Proposed Expenditure of CHIP Funds and shall be subject to review and approval by the Department for compliance with Part 4.7 (commencing with Section 16900) of Division 9 of the W&I Code.
(W&I Code Section 16980(b) (1))

(b) Indigent health care program demographic, expenditure, and utilization data shall be reported as specified by the Department pursuant to the provisions of W&I Code Section 16915 and the procedures specified by the Department.
(W&I Code Section 16915)

(c) Services, associated costs, and socio-demographic characteristics of persons served under W&I Code Section 17000 and persons supported in whole or in part by CHIP funds shall be incorporated into the reports required pursuant to W&I Code Section 16915.
(W&I Code Section 16942(c))

(d) The County shall include an estimate of, and the costs and funding arrangement for, dental services in its Description of Proposed Expenditure of CHIP Funds.

(W&I Code Section 16980(b) (2))

(e) The County shall submit reports which display cost and utilization data for each account in the Fund as specified in the W&I Code Section 16909 to the Department on a preliminary annual and a final annual basis in a form prescribed by the Department.

(W&I Code Section 16909(d)) - (Chapter 294, Statute of 1997 - Senate Bill [SB] 391)

(f) The County shall provide the Department with information the Department deems necessary to determine compliance with the provisions of Part 4.7 (commencing with Section 16900) of Division 9 of the W&I Code. The information shall be provided according to the procedures and due dates established by the Department.

(W&I Code Section 16981(a))

FISCAL ASSURANCES

7. (a) CHIP funds shall be accounted for as revenue in the Description of Proposed Expenditure of CHIP Funds and in other information required by the Department.

(W&I Code Sections 16990(c) and 16981)

(b) CHIP funds shall not be used as county matching funds for any other program requiring a county match.

(W&I Code Section 16990(c))

(c) The County shall, at a minimum, maintain a level of financial support of county funds for health services as specified in W&I Code Section 16990. This amount shall not include any county funds expended pursuant to W&I Code Section 16809.3 (Chapter 669, Statutes of 1997 - SB 921). Net disproportionate share hospital revenues shall be included in computing county financial maintenance of effort only as specified in the W&I Code Section 16990.5.

(W&I Code Sections 16990 and 16990.5) - (Chapter 294, Statutes of 1997 - SB 391)

(d) In accordance with procedures established by the Department, the County may, upon notifying the Department of the transfers authorized pursuant to W&I Code Section 17600.20, reduce the

level of financial maintenance of effort specified in subparagraph (c) by the amount of funds transferred from the Health Account of the Local Revenue Fund pursuant to W&I Code Section 17600.20 for FY 1998-99.

(W&I Code Section 16990(a) (2))

(e) If the County desires to use any of its CHIP allocation for programs and costs not associated with county health services as defined in W&I Code Section 16801, the County, as a condition of using its allocation for these purposes, shall maintain an amount of county funding for those programs and costs at least equal to 1988-89 fiscal year levels.

(W&I Code Section 16990(b))

RECOUPMENT/WITHHOLD

8. (a) In the event financial support of county funds for health services is less than the amount specified in paragraph 7(c), the Department shall recover the amount of the difference from the CHIP funds provided to the County proportionately from the Hospital Services Account, the Physician Services Account, and the Other Health Services Account.

(W&I Code Sections 16981(b) and 16990(d))

(b) In the event financial support of county funds for programs and costs not associated with county health services as defined in W&I Code Section 16801 is less than the FY 1988-89 levels for those services, the Department shall recover the amount of the difference from the CHIP funds provided to the County.

(W&I Code Sections 16981(b) and 16990(b))

(c) CHIP funds shall be returned to the Department if they are not encumbered or expended within the fiscal year according to this Agreement, and the requirements of Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the W&I Code.

(W&I Code Section 16981(b))

(d) The Department shall withhold payment of any funds specified in this Agreement and W&I Code Section 16900 et sea. if any of the reports specified in this Agreement and W&I Code Section 16900 et sea. have not been received from the County by the dates specified therein, unless an extension for submission of such reports is formally granted by the Department. Any funds withheld from the County pursuant to this Article shall be released upon receipt of the required reports by the Department.

(W&I Code Sections 16916 and 16942)

(e) The Department shall conduct fiscal and program reviews to

ensure county compliance with the provisions of this Agreement. The Department may withhold funds, up to the total amount of funds allocated under this Agreement, if the county fails to correct deficiencies in the program after receiving written notice of noncompliance from the Department.

(W&I Code Section 16981(a))

HOSPITAL SERVICES

9. The County agrees to expend all of its 1998-99 Hospital Services allocation received pursuant to W&I Code Section 16943 to support uncompensated services provided during FY 1998-99 by county and noncounty hospitals.

(W&I Code Sections 16941 and 16943(b)(c)(e)(f))

NONCOUNTY HOSPITAL FORMULA FUNDS

10. The County agrees to allocate all of its 1998-99 Noncounty Hospital Formula allocation received pursuant to paragraph (1) of subdivision (b) of W&I Code Section 16946 to noncounty hospitals within the County in amounts determined pursuant to paragraph (1) of subdivision (b) of W&I Code Section 16946 for support of services provided by noncounty hospitals to any eligible patient treated at any time during the FY 1998-99.

(W&I Code Sections 16945, 16946(a) (1) and (b) (1) (A)) - (Chapter 294, Statutes of 1997 - SB 391)

11. (a) Each noncounty hospital's share of Noncounty Hospital Formula funds specified in paragraph 10 shall be distributed to each noncounty hospital within ten (10) working days of receipt of monthly CHIP payments.

(W&I Code Section 16948(a))

(b) Each noncounty hospital shall provide posted and individual notices pursuant to Section 16818 for the duration of any quarter during which funds allocated pursuant to paragraph (1) of subdivision (b) of W&I Code Section 16946 are used.

(W&I Code Section 16946(b) (1)(D))

(c) Each noncounty hospital shall account for the funds on a quarterly basis.

(W&I Code Section 16946(b)(1) (B))

NONCOUNTY HOSPITAL DISCRETIONARY FUNDS

12. The County agrees to distribute all of its Noncounty Hospital Discretionary allocation received pursuant to paragraph (2) of subdivision (b) of W&I Code Section 16946 to noncounty hospitals to maintain access to emergency care and to purchase other necessary hospital services provided during FY 1998-99.
 (W&I Code Sections 16945 and 16946(b) (2) (A) (i)) - (Chapter 294, Statutes of 1997 - SB 391)
13. The funds specified in paragraph 12 shall be distributed only after consulting with those hospitals and considering the following:
- (a) The historic and projected patterns of care provided by hospitals, by geographic catchment areas within both urban and nonurban areas.
 (W&I Code Section 16946(b) (2) (B)(i))
 - (b) The unique costs associated with treating disproportionate numbers of severely ill, indigent patients.
 (W&I Code Section 16946(b) (2)(B)(i))
 - (c) The disproportionate losses sustained by hospitals in the provision of care.
 (W&I Code Section 16946(b)(2)(B)(i))
 - (d) The patterns of care of its residents provided by Level I trauma care hospitals in contiguous counties and the County may make proportionate allocations to those trauma centers.
 (W&I Code Section 16946(b) (2) (B) (ii))
 - (e) The use of those funds to meet emergency- room patient needs and follow-up treatment, including the need for special hospital services.
 (W&I Code Section 16949(c))
14. When contracting with hospitals in neighboring counties for emergency care, the County shall not impose conditions to accept transfers that it does not impose on hospitals within its own boundaries.
 (W&I Code Section 16946(b) (2)(A) (ii))

COUNTY HOSPITAL FUNDS

15. The County agrees to expend all of its 1998-99 County Hospital allocation received pursuant to subdivision (c) of W&I Code Section 16946 for payment or support of services provided in county or noncounty hospitals as determined by the County during FY 1998-99.
(W&I Code Sections 16945, and 16946(a) (2) and (c)) - (Chapter 294, Statutes of 1997 - SB 391)

REQUIREMENTS

16. As a condition of receiving the Hospital funds specified under paragraph 9, each county and noncounty hospital shall be required to do all of the following:

(a) Maintain the same number and classification of emergency room permits and trauma facility designations as existed on January 1, 1990. This condition shall be deemed to be met for any hospital that maintained two special permits for basic emergency service on July 1, 1989, if each of the emergency rooms was located on separate campuses of the hospital and was located not more than two miles from the other emergency room. This condition shall also be deemed to be met even if one of the emergency room permits is surrendered after July 1, 1989.
(W&I Code Sections 16946(d)(1) (A) and (B) (i) (ii))

(b) In a county that comprises not more than one-half of one percent (1%) of the total state population and in which there is a county hospital and a noncounty hospital with emergency room permits located within two miles of each other, the county hospital may surrender its emergency room permit without penalty for violation of paragraph (a) above provided all requirements of W&I Code Section 16946(h) are met. If the Department determines that the County is not in compliance with the requirements of subdivision (h) of W&I Code Section 16946 it shall require the County to recover funds and deny further payments pursuant to subdivision (e) of W&I Code Section 16946 until compliance is resumed.
(W&I Code Section 16946(h))

(c) Provide data and reports on the use and expenditure of all funds received in a form and according to procedures specified by the County and the Department.
(W&I Code Section 16946(d) (2))

(d) Assure that Noncounty Hospital Discretionary and County Hospital Discretionary funds received pursuant to paragraphs 12 and 15 are used only for services for persons who cannot afford to pay for those services, and for whom payment shall not be made through any private coverage or by any program funded in whole or in part by the federal government.

(W&I Code Section 16946(d) (3))

(e) Assure that Noncounty Hospital Formula funds allocated pursuant to paragraph 10 are used only for patients who cannot afford to pay or who meet the Office of Statewide Health Planning and Development's definition of charity care as prescribed under subdivision (d) of Section 128740 of the Health and Safety Code and for whom payment shall not be made through any private coverage or by any program funded in whole or in part by the federal government.

(W&I Code Sections- 16946(d)(3) and 16908.5)

(f) Cease all current and waive all future collection efforts, by itself and by its agents, to obtain any payment from the patient with respect to whom the services funded with funds specified in paragraph 9 were rendered within ninety (90) days of the receipt of those funds.

(W&I Code Section 16947(a))

(g) Notify the County if the hospital receives payment from a patient or responsible third-party payer and reimburse the County in an amount equal to the amount collected from the patient or third-party payer, but not more than the amount of the payment received from the County for the patient's care.

(W&I Code Section 16947(c))

17. As a condition of receiving the hospital funds specified under paragraph 9, each noncounty hospital shall be required to report to the County within thirty (30) days after the receipt of Noncounty Hospital Formula funds distributed pursuant to paragraph 10, information on patients for whom the distributions shall be used, pursuant to the requirements of W&I Code Section 16909 (Chapter 294, Statutes of 1997 - SB 391).

(W&I Code Section 16948(b))

18. Hospitals receiving Noncounty Hospital Discretionary funds under paragraph 12 shall be required to report to the County and the Office of Statewide Health Planning and Development on any reduction in hospital emergency room specialist capabilities below the level which was provided at that facility on October 2, 1989.
(W&I Code Section 16949(d))

RECOVERY, WITHHOLD, AND SUSPENSION OF PAYMENTS TO HOSPITALS

19. The County shall recover from any county or noncounty hospital:
- (a) That portion of funds received which equal the ratio of the number of months the hospital violates the provisions of paragraph 16(a) to twelve (12) months.
(W&I Code Section 16946(e)(1)(A))
 - (b) All funds received if the hospital violates the provisions of paragraph 16(c).
(W&I Code Section 16946(e) (1)(B))
 - (c) The difference between the amount received and the amount which the hospital can document that the funds were used according to the provisions of paragraphs 16(d) and 16(e) on a monthly basis.
(W&I Code Section 16946(e) (1) (C))
20. Further payment of funds may be denied to a hospital which has violated the provisions of paragraphs 16 through 18 until the hospital demonstrates compliance.
(W&I Code Section 16946(e) (2))
21. Payments to any noncounty hospital shall be suspended if the hospital fails to provide the information required in paragraph 17.
(W&I Code Section 16948(c))

REALLOCATION AND REDISTRIBUTION

22. Funds withheld or recovered pursuant to paragraph 19 may be reallocated and distributed according to the noncounty hospital discretionary provisions contained in paragraphs 12 and 13.
(W&I Code Section 16946(f))

23. Noncounty Hospital Formula and Discretionary funds available for allocation or distribution pursuant to paragraphs 10 and 12 which are not expended because a hospital does not participate shall be redistributed pursuant to the noncounty hospital discretionary provisions contained in paragraph 12. If no noncounty hospitals remain to participate, the County may distribute the unexpended funds pursuant to the county hospital discretionary provisions contained in paragraph 15.
(W&I Code Section 16946(g))

PHYSICIAN SERVICES

24. The County agrees to expend all of its 1998-99 Physician Services allocation received pursuant to subdivision (a) of W&I Code Section 16950 for the support of or payment for uncompensated services provided by a licensed physician.

(W&I Code Sections 16908, 16941 and 16950(a))

EMERGENCY MEDICAL SERVICES FUND - PHYSICIAN SERVICES ACCOUNT

25. As a condition of receiving CHIP funds, the County shall:

(a) Establish an Emergency Medical Services (EMS) fund as authorized by Section 1797.98 subdivision (a) of Health and Safety Code. This shall not be interpreted to require the County to impose the assessment authorized by Section 1465 of the Penal Code.

(W&I Code Section 16951)

(b) Establish a Physicians Services (PS) Account within the EMS fund and deposit in the PS Account at least fifty percent (50%) of the physician services amount specified in paragraph 24 and any other funds appropriated by the Legislature for the purposes of the PS Account of the EMS fund.

(W&I Code Sections 16950(c) and 16952(a)(1))

(c) Funds deposited in the PS Account in the EMS fund are exempt from the percentage allocations set forth in Section 1797.98 subdivision (a) of the Health and Safety Code.

(W&I Code Section 16952(b))

EMS PHYSICIAN SERVICES ACCOUNT PURPOSE AND USE OF FUNDS

26. The PS Account in the EMS fund shall be used to reimburse physicians for losses incurred for services provided during FY 1998-99 and the County shall:

(W&I Code Section 16952(f))

(a) Limit reimbursement to emergency services, as defined in W&I Code Section 16953, obstetric services, as defined in W&I Code Section 16905.5, and pediatric services, as defined in W&I Code Section 16907.5.

(W&I Code Section 16952(g)(1))

(b) Reimburse each physician for no more than fifty percent (50%) of the losses submitted.

(W&I Code Section 16952(h))

(c) Not reimburse for physicians services provided by physicians employed by county hospitals.

(W&I Code Section 16952(b))

(d) Not reimburse any physician who provides physician services in a primary care clinic which receives funds pursuant to Part 6.9 commencing with Section 1189.101 of Division 1 of the Health and Safety Code.

(W&I Code Section 16952(b))

(e) Limit reimbursement for losses incurred by any physician to services provided to patients who cannot afford to pay for those services, and for whom payment shall not be made through any private coverage or by any program funded in whole or in part by the federal government, and where all of the following conditions have been met:

(W&I Code Sections 16952(f) and (g))

(i) The physician has inquired if there is a responsible third-party source of payment.

(W&I Code Section 16955(a))

(ii) The physician has billed for payment of services.

(W&I Code Section 16955(b))

(iii) A period of not less than three months has passed from the date the physician billed the patient or responsible third-party, during which time the physician has made reasonable efforts to obtain reimbursement and has not received reimbursement for any portion of the amount billed or the physician has received actual notification from the patient or responsible third party that no payment shall be made for the services rendered by the physician.

(W&I Code Section 16955(c))

(iv) The physician has stopped any current, and waives any future, collection efforts to obtain reimbursement from the patient, upon receipt of funds from the county Physician Services Account in the county EMS fund. (W&I Code Section 16955(d))

EMS PHYSICIAN SERVICES ACCOUNT ADMINISTRATIVE COSTS

27. The County shall expend no more than ten percent (10%) of the amount deposited in the PS Account of the EMS fund pursuant to paragraph 25 for costs of administering the PS Account. (W&I Code Section 16952(d))

EMS PHYSICIAN SERVICES ACCOUNT EXPENDITURES

28. The County shall provide a reasonable basis for its estimate of PS Account funds in the EMS fund which are encumbered to reimburse physicians losses incurred during the fiscal year for which bills shall not be received until after the fiscal year and agrees to expend or disencumber these funds prior to the submission of the Report of Actual Expenditures required by W&I Code Section 16980. (W&I Code Section 16952(a) (2) (A), (a) (2) (B), and (a) (2) (C))

EMS PHYSICIAN SERVICES ACCOUNT PROCEDURES

29. The County shall:

(a) Establish procedures and time schedules for submission and processing of reimbursement claims submitted by physicians. (W&I Code Section 16956(a))

(b) Establish schedules for payment which shall provide for disbursement of the funds available in the PS Account of the EMS fund periodically and at least annually to all physicians who have submitted claims containing accurate and complete data for payment by the dates established by the County. (W&I Code Section 16956(b))

(c) Deny, at its discretion, claims which are not supported by records and recover any reimbursement paid to any physician for claims which lack supporting records. (W&I Code Section 16956(c))

(d) Require a listing of patient names to accompany a physician's claim, and give full confidentiality protection to those names.

(W&I Code Section 16956(e))

(e) Require physicians to notify the administering agency if, after receiving payment from the PS Account of the EMS fund, the physicians are reimbursed by patients or responsible third-parties. In these instances the County assures that it shall reduce the physician's future payment of claims from the account or, in the event there is not a subsequent submission of a claim for reimbursement within one year, require the physicians to reimburse the PS Account of the EMS fund in an amount equal to the amount collected from the patient or third-party payer but not greater than the amount of reimbursement received from the PS Account of the EMS fund for the patient's care.

(W&I Code Section 16958)

(f) Require physicians who submit claims for funding from the PS Account of the EMS fund to keep and maintain records of the services rendered, the person to whom services were rendered, and any additional information the administering agency may require, for a period of three years after the services were provided.

(W&I Code Section 16957)

NEW CONTRACTS

30. (a) The difference between the physician services amount received in paragraph 24 and the amount transferred to the PS Account of the EMS fund pursuant to paragraph 25 shall be expended by the County to pay for new contracts during FY 1998-99 with private physicians for provision of emergency, obstetric, and pediatric services in facilities which are not owned or operated by a county, and where access to those services has been severely restricted.

(W&I Code Section 16950(b))

(b) The County shall require physicians who receive funds specified in subdivision (a) to stop any current, and waive any future, collection efforts to obtain reimbursement from the patient, upon receipt of funds from the County. The contracts may provide for partial or full reimbursement for physician services provided to patients who cannot afford to pay for those services, and for whom payment shall not be made through any private coverage or by any program funded in whole or in part by the federal government.

(W&I Code Section 16955)

OTHER HEALTH SERVICES FUNDS - PURPOSE

31. The County agrees to expend all of its 1998-99 Other Health Services allocation received pursuant to W&I Code Section 16960 to maintain and enhance health care services which are:
- (a) Provided during FY 1998-99.
 - (b) Specified in W&I Code Sections 14021 and 14132, and former Division 1 (commencing with Section 100) and the Communicable Disease Prevention and Control Act as set forth in subdivision (a) of Section 27, of the Health and Safety Code.
 - (c) Provided to patients who cannot afford to pay for those services, and for whom payment shall not be made through private coverage or by any program funded in whole or in part by the federal government.
(W&I Code Sections 16941, 16960(a) and 16961)

OTHER HEALTH SERVICES FUNDS - CONSIDERATIONS AND LIMITATIONS

32. No more than five percent (5%) of the Other Health Services funds specified in paragraph 31 or fifty thousand dollars (\$50,000), whichever is greater, shall be expended for costs related to the purchase of equipment and fixed assets and that no single expenditure shall exceed ten thousand dollars (\$10,000).
(W&I Code Section 16960(b))
33. Consideration shall be given to city public health departments within the County in the use of Other Health Services funds specified in paragraph 31.
(W&I Code Section 16960(a))

CONTRACTUAL CONSIDERATIONS AND LIMITATIONS

34. The Department or County may terminate this Agreement by giving at least thirty (30) days written notice to the other party. The notification shall state the effective date of termination.
35. Nothing in this Agreement shall be interpreted to require additional expenditures of County funds for health services beyond those required herein. Also, nothing in this Agreement shall be interpreted to relieve the County of its other obligations to provide health care services to its residents.

- 36. The Agreement may be amended to conform to any applicable changes in the statutes governing the funds and programs covered in this Agreement.
- 37. Section 86 of SB 391 (Chapter. 294, Statutes of 1997) is hereby incorporated by reference into this Agreement. Reductions in appropriations for CHIP pursuant to Section 86 shall be prorated among the Counties in CHIP and the allocations under paragraphs 9, 10, 12, 15, 24, and 31, shall be reduced accordingly upon notification by the Department.

APPEAL PROCESS

38. The County may appeal a decision involving CHIP by writing to the Department within twenty-one (21) working days of receipt of written notification. The County's appeal shall be directed to the Department's Chief of the Medically Indigent Services Section. The appeal must clearly describe the issue(s) in question, the fiscal year applicable and include all supporting documentation. The Department shall issue a written decision to the County. The County may, within twenty-one (21) working days of receipt of this decision, pursue a second level appeal. The County must direct the second level appeal to the Department's Chief of the Office of County Health Services. The second level appeal must clearly describe the issue(s) in question, the fiscal year applicable and include all supporting documentation. The Chief of the Office of County Health Services has the authority to overrule any part or all of the first level appeal decision. The second level appeal decision is precedent and overrules the first level appeal decision. The Department shall issue a written decision to the County. There is no other level of appeal within the Department.

THIS AGREEMENT FOR FUNDING HAS BEEN SIGNED BY THE COUNTY'S GOVERNING BODY AND IS HEREBY EXECUTED.

STATE OF CALIFORNIA

COUNTY OF _____

Signature: _____

Signature: _____

Name: George B. (Peter) Abbott, M.D.

Name : _____

Title: Chief, Office of County

Title: _____

Health Services

Date: _____

Date: _____