

# COUNTY OF SANTA CRUZ

## HEALTH SERVICES AGENCY

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HEALTH SERVICES AGENCY  
ADMINISTRATION

July 12, 1999

AGENDA: August 3, 1999

BOARD OF SUPERVISORS  
Santa Cruz County  
701 Ocean Street  
Santa Cruz, CA 95060

RE: Transfer of Host County responsibilities for Medi-Cal  
Administrative Activities and Targeted Case Management  
Programs

Dear Members of the Board:

This letter is to notify your Board that the Health Services Agency has relinquished its role as "Host County" for the Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) programs. Additionally, authorization is requested to transfer the Statewide MAA/TCM trust fund balance to the new Host entity - Solano County.

Background - As you may recall, the MAA and TCM programs reimburse counties, cities and their associated contractors for providing certain health-related services to Medi-Cal eligible persons. This Federal program is administered by the State. The County Health Services Agency (HSA) is the State's designated entity to administer MAA and TCM locally.

Welfare and Institutions Code, Sections 14132.44 and 14132.47 and associated State regulations govern the MAA and TCM programs. These guidelines require that each Local Government Agency (LGA) that participates in these programs pay an annual participation fee through a mechanism agreed to by the State and LGAs. The LGAs agreed to designate a Host County to collect participation fees, maintain contracts with LGAs, the State, a consultant and the California State Association of Counties (CSAC). Host County responsibilities are rotated between LGAs after a minimum two year designation.

On October 28, 1997 your Board authorized the County, through the Health Services Agency to act as Host County for participating LGAs. For the past two years, Santa Cruz County has acted as Host County. Because the County has entered into financial agreements for FY 1998-99, the County is still obligated to make contract payments in FY 1999-2000 for services rendered during FY 1998-99.

New Host Entity - HSA staff are in the process of transitioning Host County responsibilities to the new Host entity, Solano County. Solano County has entered into agreements with the same contract entities as Santa Cruz County for services beginning July 1, 1999. Solano County will be responsible to make contract payments to contractors as early as August, 1999.

Financial Obligations of Both Counties - Because of the financial responsibilities of both counties, it is recommended that Santa Cruz County retain sufficient reserves to make all contract payments for FY 1998-99, and immediately transfer the balance of funds in excess of FY 1998-99 contract obligations to Solano County. As soon as final invoices are received for FY 1998-99 contract services, any remaining balance will be forwarded to Solano County, and the host county trust fund closed.

County Contractual Commitments and Balance Available for Transfer to Solano County - The County has the following contractual obligations:

1. Agreement with State Department of Health Services. This agreement specifies the service deliverables to be performed by State Department of Health Services administrative staff to process LGA MAA and TCM claims and to administer the program. The agreement for the FY 1998-99 fiscal year totaled \$549,007. The outstanding balance is \$383,338.68.
2. Agreement with LGA Consultant. This agreement allows for the provision of administrative support and advocacy for all LGA's participating in the program. The agreement amount for FY 1998-99 totaled \$115,200. The outstanding balance is \$9,600.
3. Agreement with CSAC. This agreement pays for staff time to attend monthly MAA/TCM Advisory meetings, meeting space, telephone conference lines, etc. The agreement amount for FY 1998-99 totaled \$11,357. The outstanding balance is \$5,492.91.

Trust Fund - The current trust fund balance totals \$732,688.12. Based on the above obligations and factoring prior payments on these agreements, it will be necessary to retain \$398,431.59 until all final FY 1998-99 invoices are in. The balance available for immediate transfer to Solano County totals \$334,256.53.

Once FY 1998-99 payments are reconciled, any remaining balance will be forwarded to Solano County and the Host County Trust Fund closed.

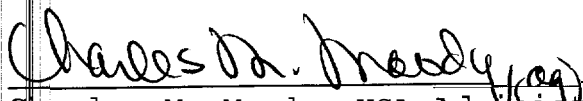
The Health Services Agency has fulfilled its commitment to the LGAs to provide efficient and accountable administrative control over LGA funds and the distribution of funds to contractors assisting to administer this program. This effort has represented no cost to the County of Santa Cruz during the term of the Host County designation and no further costs will be realized due to

the County's lack of such designation.

It is, therefore, RECOMMENDED that your Board:

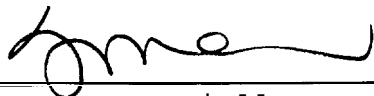
- 1) Authorize the retention of \$398,431.59 from the Host **County** Trust Fund to make FY 1998-99 contract payments as detailed above; and
- 2) Authorize the Auditor-Controller to release funds **over** and **above** those needed for contract payments, in the amount of \$334,256.53 to the the new Host entity, Solano County.

Sincerely,



Charles M. Moody, HSA Administrator

RECOMMENDED:



Susan A. Mauriello  
County Administrative Officer

cc County Counsel  
Auditor-Controller  
Health Services Agency Administration  
Solano County Health and Social Services Department  
CSAC  
State Department of Health Services  
Cathleen Gentry