



HEALTH SERVICES AGENCY
ADMINISTRATION

COUNTY OF SANTA CRUZ

HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE
SANTA CRUZ, CA 95061
(408) 454-4066 FAX: (408) 454-4770
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September 5, 2000

AGENDA: September 19, 2000

BOARD OF SUPERVISORS

Santa Cruz County
701 Ocean Street
Santa Cruz, CA 95060

RE: Contract Amendment with Central Coast Alliance for Health

Dear Board Members:

The Health Services Agency requests approval of the attached amendment to the agreement with Central Coast Alliance for Health for medical care services provided by the County to Medical managed care patients. The amendment revises certain payment provisions and reimbursement rates related to the Healthy Families program.

As your Board is aware, the Central Coast Alliance for Health (the "Alliance") operates the Medical managed care system serving residents in Santa Cruz and Monterey Counties. HSA participates in the managed care system via a service agreement with Alliance. The current service agreement was approved in January 2000.

The Healthy Families program is a state and federally funded health insurance program for children. Authorized in 1997, the program extends primary health care coverage to children who are not eligible for Medical but whose families meet program income requirements. At its June 24, 2000 meeting, the Alliance's governing board approved two substantive changes affecting payments made by the Alliance makes to contracting providers. First, the Alliance will make risk settlement payments to contracting primary care providers twice rather than once a year. Secondly, the Alliance approved an overall increase in the capitated rates paid to providers for Healthy Families patients. HSA receives capitated payments and risk settlements for Healthy Families patients only, not for Medical patients, so this change applies only to a small group of patients. HSA's contract with the Alliance needs to be amended to encompass these two new provisions and the result is increased cash flow to HSA. Currently, HSA has approximately 25 Healthy Families patients assigned for care.

The Health Services Agency requests your Board approve the attached amendment to the contract effective July 1, 2000 for clinical services provided by HSA to Alliance patients.

COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

0173

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

FROM: Health Services Agency (Dept.)
Ron Knutson (Signature) 9/8/00 (Date)

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

- Said agreement is between the County of Santa Cruz (HSA) (Agency)
and, Central Coast Alliance for Health, 375 Encinal Street, Santa Cruz, CA 95060 (Name & Address)
- The agreement will provide for County's participation in and reimbursement by the Medical Managed Care Program amendment incorporating new payment provisions.
- The agreement is needed to provide for the above participation and reimbursement.
- Period of the agreement is from July 1, 2000 to December 31, 2000
(with automatic annual renewal)
- Anticipated cost is \$ _____ (Fixed amount; Monthly rate; Not to exceed)
- Remarks: _____
- Appropriations are budgeted in N/A - revenue and administrative agreement (Index#) 361210 (Subject)

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

Appropriations are available and have been encumbered. Contract No. R - 598 Date 9/8/00
are not will be
N/A
GARY A. KNUTSON, Auditor-Controller
By Ronald J. Silver Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the HSA Administrator to execute the same on behalf of the County of Santa Cruz
Health Services Agency (Agency).
County Administrative Officer

Remarks: ES (Analyst) By Ch Schy Date 9/9/02

Agreement approved as to form. Date _____

Distribution:

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

To Orig. Dept. if rejected.

ADM - 29 (6/95)

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 duly entered
in the minutes of said Board on _____

By _____ Deputy Clerk

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CENTRAL COAST ALLIANCE FOR HEALTH

Index 361210
 Rev Acct 1674
 Contract # R-598

THIRD AMENDMENT TO
 THE PRIMARY CARE PHYSICIAN
 SERVICES AGREEMENT

This Third Amendment to the Primary Care Physician Services Agreement ("Third Amendment") is entered into and is effective this first day of July, 2000 (Effective Date of Third Amendment"), by and between the Santa Cruz/Monterey Managed Medical Care Commission, doing business as the Central Coast Alliance for Health, a public entity, hereinafter referred to as "Plan", and _____, hereinafter referred to as "Contractor",
 _____, hereinafter referred to as "Contractor",

RECITALS

A On October 1, 1999, Plan and Contractor entered into the Primary Care Physician Services Agreement and the First Amendment to the Primary Care Physician Services Agreement and on June 30, 2000, Plan and Contractor entered into the Second Amendment to the Primary Care Physician Services Agreement (together the "Agreement").

B. Both Plan and Contractor desire to change certain terms of the Agreement.

C. This Third Amendment is made pursuant to Section 9.5 of the Agreement. Subject to any necessary approval by the State, this Third Amendment shall be effective on the Effective Date of Third Amendment.

D. References to Sections and Exhibits below are to Sections and Exhibits, respectively, of the Agreement.

NOW, THEREFORE, the parties hereby amend the terms of the Agreement as follows:

1. In Section 1.6, add "Medi-Cal" before "Member."
2. Add the following as Section 1.24 and renumber existing Sections 1.24 through 1.42 as 1.25 through 1.43:

"1.24 MEDICARE RATE shall mean the schedule of Medicare maximum fee-for-service allowances and rates of payment for health care services [Resource Based Relative Value Scale (R.B.R.V.S.)] in effect for the federal Medicare Program at the time the services were rendered."

3. Exhibit 3 Sections A 11 .a. and b. are deleted in their entirety and replaced by the following Sections A 11 .a and b.:

"a. Payment for Linked Healthy Families Members. Plan will provide Contractor with a list of Contractor's Case Managed Healthy Families Members by the first

(1st) day of each month. Plan shall pay Contractor the following for Covered Services that are Capitated Services provided to Healthy Families Members that are Linked to Contractor: ninety percent (90%) multiplied by the greater of (i) the Medi-Cal Rate or (ii) eighty percent (80%) of the Medicare Rate. This payment and the amount set forth in Section 3.4 (b) (i) is payment in full for all Covered Services that are Capitated Services set forth in Exhibit 1 that are provided to Contractor's Linked Healthy Families Members, as well as any necessary administrative services. The remaining ten percent (10%) (of the greater of (i) the Medi-Cal Rate or (ii) eighty percent (80%) of the Medicare Rate) will be held in reserve to absorb possible cost overruns in Contractor's Risk Croup Healthy Families risk sharing pools.

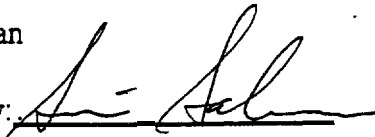
b. Other Payment. Plan shall pay Contractor for Covered Services provided to Santa Cruz Healthy Families Members not Linked to Contractor, and for Covered Services that are Non-Capitated Services provided to Contractor's Linked Santa Cruz Healthy Families Members at the greater of 1) the Medi-Cal Rate or 2) eighty percent (80%) of the Medicare Rate. Plan shall pay Contractor for Covered Services provided to Monterey Healthy Families Members' not Linked to Contractor, and for Covered Services that are Non-Capitated Services provided to Contractor's Linked Monterey Healthy Families Members at the greater of 1) the Medi-Cal Rate or 2) eighty percent (80%) of the Medicare Rate. Payment may be subject to adjustment as described in Section 3.3 of this Agreement, and is subject to the Coordination of Benefits rules set forth in Section 3.5 of this Agreement. Compensation to Contractor for such services provided to Healthy Families Members shall be reduced by any applicable copayment owed by or on behalf of such Healthy Families Members."

4. In Exhibit 3 Sections A. 11.c.(1) and (6), change the term "Capitation" to the term "payment." Delete Exhibit 3 Section A 11 .d. and renumber Section A. 11 .e. as A. 11 .d.

5. In all other respects, the provisions of the Agreement are ratified and reconfirmed. In the event there is any inconsistency between the terms of this Third Amendment and the terms of the Agreement, the terms of this Third Amendment shall control.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be executed by their respective duly authorized representatives.

Plan

By:  B

Print Name: Simon Salinas

Title: Chairman

Date: 8-28-00

APPROVED AS TO FORM:

Contractor

y _____

Print Name: Rama Khalsa

Title: HSA Administrator

Date: _____

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