

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
Meeting Date

Held Until

____/____/____
Agenda Item No:

____/____/____
Agenda Item No:

Department: Health Services

() 4/5 Vote Required

Contact:
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Board Date:
9/1/09

Deadline for Board Action:
9/1/09

AGENDA SHORT TITLE: Medi-Cal Managed Care Expansion – County Organized Health System

REQUESTED BOARD ACTION:

Approve Ordinance adding Chapter 34 of the Sonoma County Code to join an existing multi-county commission entitled Partnership HealthPlan of California to negotiate with the California Medical Assistance Commission for the arrangement of provision of health care services.

CURRENT FISCAL YEAR FINANCIAL IMPACT

EXPENDITURES

ADD'L FUNDS REQUIRING BOARD APPROVAL

Estimated Cost \$

0 Contingencies
(Fund Name:)

Amount Budgeted

Unanticipated Revenue
(Source:)

Other Avail Approp
(Explain below)

Other Transfer(s)
(Source: Health Realignment)

Additional Requested: \$

0 Add'l Funds Requested: \$ 0

Explanation (if required):

Prior Board Action(s): 8/25/09 – Ordinance introduced and waived reading; 8/12/08 – Medi-Cal to regional Medi-Cal Managed Care Report/ Recommendations; 12/12/06 – Medi-Cal Managed Care Report/Recommendations; 11/29/05 – Authorized the planning process on Medi-Cal Managed Care options.

Alternatives – Results of Non-Approval: Lost opportunity to provide MediCal services in a cost effective manner using innovative case management programs and an enhanced level of local health care services.

Background:

On August 25, 2009, the Board of Supervisors read the title of, and waived further reading of a proposed Ordinance adding Chapter 34 of the Sonoma County Code to join an existing multi-county commission entitled Partnership HealthPlan of California. Today the Department of Health Services requests the Board approve the Ordinance.

In November 2005, the Board of Supervisors authorized the Department of Health Services (DHS) to convene the Medi-Cal Managed Care Planning Group. This Group comprised of local health care providers, consumer representatives, and County staff, were charged with determining the best option for meeting the needs of Medi-Cal beneficiaries and health care providers in Sonoma County. The Planning Group concluded that implementation of the Medi-Cal managed care model in Sonoma County would be a significant improvement over the current fee-for-service model. Under the fee-for-service model, Medi-Cal beneficiaries do not have an assigned primary care provider and must seek services without the benefits provided by managed care. Under a managed care system, each member selects a primary care physician to provide medical care and coordinate services. This managed care system also offers increased support to members through dedicated Member Services staff that assist with access to care, resolution of claims or billing issues, and questions about benefits. Managed Medi-Cal also provides increased clinical support to members and providers through specific care management programs. Nurses work with the local physician medical director to help coordinate care for critically ill patients, high risk pregnant women, and those with chronic medical conditions such as congestive heart failure, requiring ongoing care. The Planning Group found that Partnership HealthPlan of California (PHC) has an excellent record for improving quality while reducing the cost of healthcare. Each county that has joined PHC has experienced a 50% decrease in emergency department visits for Medi-Cal members and significantly improved member and provider satisfaction.

In 2006, the Board accepted the recommendations of the Medi-Cal Managed Care Planning Group to transition of 47,000 Medi-Cal enrollees in Sonoma County from fee-for-service Medi-Cal to the regional County Organized Health System model of Managed Medi-Cal operated by Partnership HealthPlan of California in Napa, Solano and Yolo counties. Under this model, PHC assumes responsibility for all medical services except for dental, vision and substance abuse services that continue to be provided through the State Medi-Cal program. Mental health services continue to be provided by Sonoma County Mental Health Division.

In August of 2007 the Board accepted a report and recommendations from the Medi-Cal Managed Care Planning Group to continue efforts to transition from fee-for-service Medi-Cal to a regional Medi-Cal managed care program with Partnership HealthPlan. The Board authorized the Director to send a letter notifying the State of the County's intent to join Partnership HealthPlan, a county organized health plan providing services in Napa, Solano and Yolo counties. One of the recommendations of the Group was the appointment of a Planning and Implementation Committee which has been meeting regularly since 2007.

Attachments: Ordinance Summary; Proposed Ordinance Adding Chapter 34 of the Sonoma County Code.

On File With Clerk: None.

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested") 	Vote:
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BACKGROUND: (continued)

DHS and the Planning and Implementation Committee have worked collaboratively with Partnership HealthPlan of California on key implementation benchmarks. Due to the budget challenges at the State level, implementation of the program in Sonoma County was delayed almost a year, and expansion into Sonoma County is now scheduled for October 1, 2009, subject to finalizing contracts with the State, local hospitals, clinics and physicians. PHC negotiates rates with the State on a year by year basis. The State budget approved in July reduced certain optional benefits to all Medi-Cal beneficiaries, including those served through PHC, however, there was no further reduction in rates for PHC services. The State fully supports the expansion of PHC to Sonoma County as a more cost effective model of care with improved quality of care to members.

PHC has also provided health coverage to children insured through the Healthy Kids Sonoma County since 2005. The Program has had a very positive relationship with PHC. Outcome data for the Program shows improved utilization of preventative health visits and lower use of emergency department services.

Ordinance Establishing Partnership HealthPlan of California as Four-County Commission

To become a member of Partnership HealthPlan of California, Sonoma County must adopt an ordinance authorizing the County to join the existing commission referred to as Partnership HealthPlan of California. As a part of this action, the three existing PHC counties (Napa, Solano and Yolo counties) are amending their current ordinances to include Sonoma County. The powers and duties of the commission include:

1. Authority to negotiate the exclusive contract with the California Medical Assistance Commission as specified in Section 14087.5 of the Welfare and Institutions Code, and to arrange for the provision of health care services provided under Chapter 7, Part 3, Division 9 of the Welfare and Institutions Code.
2. Authority to function separate from the County of Sonoma with all the rights, powers, duties, privileges and immunities conferred by the Welfare and Institutions Code referenced above.
3. Authority to acquire, possess, and dispose of real or personal property, as may be necessary for the performance of administrative functions, to employ personnel and contract for services required to meet its obligations, and to sue or be sued.

The Commission operates separate from county government with the authority and responsibility to operate and provide health services to Medi-Cal enrollees in the four designated counties. The Board of Supervisors may elect to terminate participation in PHC by providing 90 day notice to other member counties and the State.

The Sonoma County Board of Supervisors, and the other participating counties, are responsible for appointing members to the Commission. Each county appoints two Commissioners plus one Commissioner for every 10,000 MediCal members in its county. This formula provides Sonoma County with seven out of a total twenty-two members that serve on the Commission. The proposed ordinance sets forth the selection process for members and criteria for selection of members. The term of office for each member is four years, however, three of the initial appointees will have two year terms so that succession is staggered.

Appointment of Members to the Commission

1. One member shall be a physician identified by the Sonoma County Medical Association (Physician Representative).
2. One member shall be a Community Clinic representative identified by the Redwood Community Health Coalition (Clinic Representative).
3. One member shall be a representative from a Sonoma County hospital identified by the hospitals in Sonoma County (Hospital Representative).
4. One member shall represent Medi-Cal consumers and be identified by the Sonoma County Human Services Department (Consumer Representative).

BACKGROUND: (continued)

5. One member shall be either a member of the Sonoma County Board of Supervisors or an officer or employee of the County of Sonoma identified by the Department of Health Services (County Official).
6. Two members from the community (Public Representatives). The Department of Health Services may make recommendations based on the following criteria:
 - Geography
 - Knowledge of the healthcare needs of children, the aged, and disabled
 - Business experience
 - Political experience
 - Finance experience

Next Steps:

The Department of Health Services and community stakeholders support the expansion of Medi-Cal managed care into Sonoma County as a way to improve access and quality of care to Medi-Cal enrollees and improve provider satisfaction with the Medi-Cal program. The Department and PHC have begun implementation of the work plan including the following milestones to be accomplished prior to the October 1, 2009 start date:

1. Partnership HealthPlan finalizes contract with the State and obtains approval from the Federal Center for Medicare and Medicaid administration (CMS) to modify the PHC Medi-Cal waiver to include Sonoma County in the regional Medi-Cal managed care program. CMS is the administrator for the federal Medicare and Medicaid program.
2. Partnership HealthPlan establishes the network of local hospitals, community clinics, physicians and other health care providers who agree to provide services to Medi-Cal enrollees in the new County Organized Health System model. Existing Medi-Cal providers are required to enter into a direct contract with PHC in order to continue to provide services to Medi-Cal enrollees through PHC. Letters are sent to Medi-Cal enrollees alerting them to the changes in the Medi-Cal program and advising them to select a primary care provider.
3. Sonoma County Board of Supervisors considers approving an ordinance that would allow the County of Sonoma to join the multi-county Partnership HealthPlan of California Commission that allows PHC to enter into an exclusive contract with California Medical Assistance Commission (CMAC). CMAC is responsible for negotiating contracts with managed care plans and hospitals on behalf of the Department of Health Care Services. The ordinance also sets forth the process and number of members from Sonoma County to be appointed to the Commission for oversight of the regional Medi-Cal managed care program.
4. Sonoma County Board of Supervisors considers a resolution appointing the seven-member commission.