

## HEALTH PLAN-PROVIDER AGREEMENT

Partnership HealthPlan of California and Sonoma County

### ATTACHMENT D

This Amendment is made this 1<sup>st</sup> day of July 2024 by and between Partnership HealthPlan of California, a County Organized Health System hereinafter referred to as "PLAN", and Sonoma County, hereinafter referred to as "PROVIDER".

#### RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective May 1, 2010;

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 PLAN covered health care services to PLAN beneficiaries in Sonoma 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, consists of County of Sonoma – Department of Health Services, is a governmental entity providing covered Medi-Cal services to Partnership Medi-Cal beneficiaries in accordance with the State DHCS Voluntary Rate Range program requirements.

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 PROVIDER to the California Department of Health Care Services ("State DHCS") to maintain the availability of PLAN covered health care services to PLAN beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Attachment D to the Agreement is hereby deleted in its entirety and replaced with a new Attachment D as set forth herein and is incorporated into the Agreement.

### **IGT MEDI-CAL MANAGED CARE CAPITATION INCREASES**

#### **1. IGT Capitation 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 PROVIDER who is a GOVERNMENTAL FUNDING ENTITY effective July 1, 2024 for Intergovernmental Transfer Medi-Cal Managed Care Increases ("IGT MMCIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care ("LMMC") IGT Payments. LMMC 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 to pay the applicable State Agency pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCIs.

(2) The PLAN shall retain up to ten percent (10%) administrative fee based on the total amount of the IGT MMCIs received from DHCS for PLAN'S administrative costs. Each provider's share of the 10% fee shall be calculated based on that provider's proportionate share of the LMMCIGT payments made by Plan in the PROVIDER'S County.

**C. Form and Timing of Payments**

PLAN agrees to pay LMMC IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMC 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 LMMCIGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCIs from State DHCS.

**D. Consideration**

(1) As consideration for the LMMC IGT Payments, PROVIDER shall use the LMMC IGT Payments for the following purposes and shall treat the LMMC IGT Payments in the following manner:

(a) The LMMC IGT Payments shall represent compensation for Medi-Cal PLAN services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMC IGT Payments apply.

(2) If the retained LMMC 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 LMMC 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 LMMC IGT Payments received, but not used.

(3) Both parties agree that none of these funds, either from the GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to the GOVERNMENTAL FUNDING ENTITY 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.

**E. Cooperation Among Parties**

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMC IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMC IGT Payments to the full extent possible on behalf of the safety net in Sonoma County.

**F. Reconciliation**

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMC IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMC IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCI's were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMC 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 LMMC IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

**G. 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 LMMC IGT arising from the Intergovernmental Agreement. Recovery by PLAN pursuant to this section shall include, but not be limited to, reduction in future LMMC IGTs paid to PROVIDER in an amount equal to the amount of MMCI payments withheld or recovered from PLAN, or by an offset of any other amounts owed by PLAN to PROVIDER, including but not limited to payments for direct service rendered.

**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:

Nolan Sullivan, Director  
Sonoma County Department of Health Services  
1450 Neotomas Avenue Suite 200  
Santa Rosa, CA 95405

**2. Term**

The term of this Amendment shall commence on May 1, 2010 through December 31, 2029. PHC reserves the right to immediately terminate this IGT Amendment prior to December 31, 2029, if DHCS suspends or discontinues the IGT funding described in this Amendment. PHC will promptly provide formal notice to the provider upon said suspension or discontinuation.

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: \_\_\_\_\_ Date: \_\_\_\_\_

By: Sonja Bjork, CEO, Partnership HealthPlan of California

PROVIDER: \_\_\_\_\_ Date: \_\_\_\_\_

By: Nolan Sullivan, Director, Sonoma County Department of Health Services