

History/Background on Intergovernmental Transfer

- For many years California Counties with public hospitals have had the opportunity to secure federal matching funds for their local expenditures. The mechanism for securing these funds involved an Intergovernmental Transfer (IGT), whereby the County transfers funds to the State Department of Health Care Services (DHCS) which then uses them to increase Medi-Cal payments (within federally allowed levels) to that County's Hospital. This resulted in the County Hospital getting back the transferred funds, along with the matching federal funds that are contained in the Medi-Cal expenditures.
- With the advent of Medi-Cal Managed Care, Counties have entered into IGTs with DHCS that help to finance increased State payments to the Medi-Cal Health Plan. The Plan then makes special payments to its contracted medical providers.
- As a result of being a Medi-Cal Managed Care County, Yolo County is eligible to participate in an IGT that draws down additional federal funds for Medi-Cal services in the county. In March 2011, the Health Department identified a contact with Partnership Health Plan of California (PHC) in Fiscal Year 2010/11 which made them eligible for IGT funds for FY 10/11, and again for FY 11/12.

Overview of the IGT Process

1. IGT Transfer will consist of a transfer of funds from the County to the State. The source of the funding for this transfer will be realignment and or general fund currently allocated to the Health Department. The projected date for this transfer is in May.
2. Upon receipt of the transferred funds, the State will increase PHC rate payments for FY 11/12. The new payments will be made up of local transferred funds & new federal funds. After the 20% State administrative fee, PHC will receive the dollars.
3. After payment to the State in Managed Care Organization taxes, PHC will distribute the funds to the Health Department, as their contracted medical provider to provide additional health services to Medi-Cal patients in the following priority areas: Mental Health, Substance Abuse, Care Coordination & Access to Specialty Care.

Use of Funds

A plan for expending these funds will need final approval by PHC.

Priority Areas Developed by Partnership

- Mental Health
- Substance Abuse
- Specialty Care Access
- Care Coordination

Next steps/timeline

- County will execute final agreements with the DHCS & MOU with PHC by 4/2013
- State will receive federal approval by 5/2013
- County will wire funds to the State 5/2013
- PHC will receive capitation payments by 6/2013
- PHC will pay providers by 7/2013