

**HEALTH PLAN-PROVIDER AGREEMENT
INTERGOVERNMENTAL TRANSFER RATE RANGE PROGRAM AGREEMENT**

This Agreement is made this 1st day of November, 2021, by and between CALOPTIMA, a California public agency hereinafter referred to as "PLAN", and the City of Orange, a California municipal corporation operating through its Fire Department, hereinafter referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN is a public agency formed pursuant to California Welfare and Institutions Code Section 14087.54 and Orange County Ordinance No. 3896 as amended by Ordinance Nos. 00-8, 05-008, 06-012, 09-001, 11-013, 14-002 and 16-001, and is party to a Medi-Cal managed care contract with DHCS, entered into pursuant to Welfare and Institutions Code Section 14087.3, under which PLAN arranges and pays for the provision of covered Medi-Cal health care services to eligible Medi-Cal members residing in Orange County;

WHEREAS, the City of Orange is an emergency transport provider who provides transportation on a non-contract basis, including to CalOptima Medi-Cal Members;

WHEREAS, PLAN and PROVIDER desire to enter into this Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the City of Orange (GOVERNMENTAL FUNDING ENTITY) to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

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

IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range 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 GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #21-10183, ("Intergovernmental Agreement") effective for the period of and January 1, 2021 through December 31, 2021 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT Payments. LMMCRR 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) a. PLAN shall retain 31.71 percent from the Medi-Cal managed care rate increases paid to PLAN by DHCS as described in this agreement prior to disbursing LMMCRR IGT Payments to PROVIDER. The retained funds will be expended by PLAN for Covered Services under PLAN's contract with DHCS for Medi-Cal, in either the State fiscal year received, or in subsequent State fiscal years, as appropriated by the CalOptima Board of Directors.

Each provider's share of the retained funds shall be calculated based on the provider's proportionate share of the LMMCRR IGT payment made by PLAN in Orange County.

b. The amounts referenced in this agreement are estimates. The parties understand and agree that the total amount of the Medi-Cal managed care capitation rate increases paid by DHCS to PLAN may fluctuate as a result of enrollment. The parties further understand and agree that

any such fluctuations will likewise affect the amount to be retained by the PLAN and the amount payable to PROVIDER by the same percentage as the variance in the capitation rate increases, if any.

(2) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) continue to provide emergency transport services to PLAN Members promptly and in a manner which ensures access to care consistent with PROVIDER's regular business practices for providing such services; and

(2) not discriminate against PLAN Members or in any way impose limitations on the acceptance of PLAN Members for care or treatment that are not imposed on other patients of PROVIDER.

D. Schedule and Notice of Transfer of Non-Federal Funds

1. PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of funds to State DHCS referred to in the Intergovernmental Transfer Agreement within fifteen (15) calendar days of establishing such schedule with State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule, including but not limited to, changes to the amounts specified therein.

2. PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after funds have been transferred to State DHCS for use as the nonfederal share of any IGT MMCRRIs.

E. Form and Timing of Payments

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

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

F. Consideration

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

(a) The LMMCRR IGT Payments shall represent compensation for emergency ambulance services rendered to Medi-Cal PLAN members by PROVIDER between January 1, 2021, and December 31, 2021, and shall be used by PROVIDER solely to fund the costs that exceed the fee-for-service rates paid by Medi-Cal PLAN for covered services provided to Medi-Cal PLAN Members during that period.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Agreement exceed the cost of Covered Services provided to Medi-Cal PLAN members by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall constitute an overpayment, and shall be returned to Medi-Cal PLAN pursuant to the provisions of Section 1.K., below

(2) 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'S general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

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

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR 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 process set forth in Section 1.H. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Paragraph 1.J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

J. Indemnification

PROVIDER agrees to and acknowledges the following: (1) PLAN has no obligation to make any payments hereunder until PLAN has received IGT MMCRRIs from State DHCS; (2) that PLAN is not responsible for State DHCS payments to PLAN, including any mathematical calculations made by DHCS, and (3) PLAN is not responsible for the timing of the payments from DHCS to PLAN (including the conditions precedent to the timing of such payments which includes the timing of DHCS submission to CMS and/or CMS review and approval). In addition, PLAN and PROVIDER agree and acknowledge that nothing herein is intended to create an obligation on the part of PLAN to agree to delays in capitation payment(s) from DHCS in order to accommodate this IGT.

K. Overpayments and CalOptima Right to Recover

PROVIDER has an obligation to report any overpayment identified by PROVIDER, and to repay such overpayment to CalOptima within sixty (60) days of such identification by PROVIDER, or of receipt of notice of an overpayment identified by CalOptima. PROVIDER acknowledges and agrees that, in the event that CalOptima determines that an amount has been overpaid or paid in duplicate, or that funds were paid which were not due under this Contract to PROVIDER, CalOptima shall have the right to recover such amounts from PROVIDER by recoupment or offset from current or future amounts due from CalOptima to PROVIDER, after giving notice and an opportunity to return/pay such amounts. This right to recoupment or offset shall extend to any amounts due from PROVIDER to CalOptima, including, but not limited to, amounts due because of overpayments as described in the provisions of this agreement.

2. Term

The term of this agreement shall commence on January 1, 2021 and shall terminate on June 30, 2024.

SIGNATURES

HEALTH PLAN: CalOptima

By: _____ Date: _____

PROVIDER: the City of Orange

By: Mark A. Murphy, Mayor Date: _____

ATTEST:

Pamela Coleman, City Clerk Date: _____

APPROVED AS TO FORM:

Mary E. Binning, Asst City Attorney Date: _____