



**MEMORANDUM
HEALTH AND HUMAN SERVICES
ADMINISTRATION**
County of Placer

TO: Honorable Board of Supervisors **DATE:** August 31, 2021
FROM: Robert Oldham, Director of Health and Human Services
BY: Nancy Baggett, Staff Services Manager
SUBJECT: An Ordinance authorizing County of Placer to join Partnership HealthPlan of California Commission

ACTION REQUESTED

Introduce and waive oral reading of an Ordinance authorizing the County of Placer to join Partnership HealthPlan of California Commission.

BACKGROUND

Over the past several decades, California has implemented a variety of Medicaid (in California called “Medi-Cal”) managed care models, including the County Organized Health System (COHS), the Two-Plan Model and the Geographic Model. In 2013, Medi-Cal managed care was expanded to 28 California counties, including Placer County. Many counties in Northern California sought to enter into the COHS model. The COHS model is generally regarded as offering counties the greatest amount of local control, with counties being directly responsible for governance of their respective plans, either alone or in combination with other counties. Prior to this expansion of managed care Partnership Health Plan, a COHS serving several Northern California counties, already had a strong reputation for superior quality, access, and collaboration with counties and medical providers. Prior to the 2013 managed care expansion, many Northern California counties sought to join the COHS model under Partnership Health Plan. However, at the time DHCS restricted the number of counties allowed to enter into a COHS model, and assigned the remaining counties to the Regional Model, in which the state contracts with two for-profit plans to administer Medi-Cal benefits in a county. Placer County, along with most other counties in our region, was assigned to the Regional Model and Anthem Blue Cross and California Health and Wellness were selected as our two Medi-Cal managed care plans. Placer County was not consulted by DHCS on its assignment to the Regional Model or on the procurement process that led to the selection of our two Medi-Cal managed care plans.

In 2018, Senator Jim Nielsen requested, and the Joint Legislative Audit Committee approved, a state audit of DHCS’ oversight of managed health care in the 18 small and rural counties under the Regional Model. In August of 2019, the State Auditor released a report entitled “Department of Health Care Services: It Has Not Ensured That Medi-Cal Beneficiaries in Some Rural Counties Have Reasonable Access to Care” that found:

- DHCS did not enforce state requirements that limit distances health plans may direct their Medi-Cal beneficiaries to travel to receive health services.

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- DHCS failed to hold Regional Model health plans accountable for improving beneficiaries' access to care.
- Regional Model beneficiaries have generally received a lower quality of care than beneficiaries in other areas of the state.
- DHCS did not adequately educate Regional Model counties about the options available to them regarding their transition to managed care.
- DHCS was found to not have assisted Regional Model counties that wanted to create or join a County-Organized Health System (COHS), which may have provided beneficiaries with better access to care.

In addition, the audit report recommended that DHCS assist counties desiring a transition to COHS model in making that change after their current contracts expire. All of the current 18 regional counties are actively pursuing letters of intent to transition to COHS plans.

Also in 2019, the California Health Care Foundation performed an independent evaluation of the Regional Model and found the following:

- Specialty care is somewhat more difficult for Medi-Cal enrollees in Regional Model counties compared to other rural areas of the state.
- The quality of care provided to Medi-Cal enrollees by Regional Model MCPs was worse, on average, when compared to MCPs in other rural counties.
- Overall, Medi-Cal enrollee satisfaction with MCP performance was lower in Regional Model counties relative to other rural areas of the state.

Pursuant to the State Auditor's recommendations, DHCS released information on the upcoming statewide procurement of commercial Medi-Cal MCPs and issued an instruction that all counties wishing to transition to a COHS should submit a letter of intent to DHCS by March 31, 2021. The Placer County Board of Supervisors approved the required letter of intent on March 9, 2021. Placer County is one of ten counties currently in the regional model who are eligible to switch to the COHS model with Partnership HealthPlan. All ten counties approved letters of intent to join Partnership HealthPlan of California Commission.

The next step in the process of transitioning health plans is to pass the attached Ordinance formalizing the County's choice. On August 10, 2021, the Nevada County Board of Supervisors introduced an ordinance authorizing Nevada County to join the Partnership HealthPlan of California Commission. Other counties have indicated that they plan on bringing forth similar ordinances later in August or in early September. Staff recommends the Board introduce and waive oral reading of an Ordinance authorizing the County of Placer to join Partnership HealthPlan of California Commission.

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FISCAL IMPACT

There is no anticipated fiscal impact to the County associated with passing an ordinance authorizing the County of Placer to join Partnership HealthPlan of California Commission. An eventual transition to a COHS model is expected to streamline care coordination for Placer County HHS clients and may result in modest reductions in Department expenses.

ATTACHMENT

Ordinance authorizing County of Placer to join Partnership HealthPlan of California Commission.

Before the Board of Supervisors County of Placer, State of California

In the matter of:

AN ORDINANCE AUTHORIZING COUNTY OF PLACER
TO JOIN PARTNERSHIP HEALTHPLAN OF CALIFORNIA
COMMISSION

Ordinance No.: _____

Introduced: _____

The following Ordinance was duly passed by the Board of Supervisors of the County of Placer
at a regular meeting held _____, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, over the past several decades, California has implemented a variety of Medicaid (in California called "Medi-Cal") managed care models, including the County Organized Health System (COHS), the Two-Plan Model and the Geographic Model;

WHEREAS, Partnership Health Plan, a COHS serving several Northern California counties, has a strong reputation for superior quality, access, and collaboration with counties and medical providers;

WHEREAS, the county of Placer along with most other counties in our region, was assigned by the California Department of Health Care Services (DHCS) without consultation to the Regional Model and Anthem Blue Cross and California Health and Wellness were selected as our two Medi-Cal managed care plans;

WHEREAS, in August of 2019, the State Auditor released a report entitled "Department of Health Care Services: It Has Not Ensured That Medi-Cal Beneficiaries in Some Rural Counties

Have Reasonable Access to Care” that issued a number of findings concerning deficiencies regarding the Regional Model and recommended that DHCS assist counties desiring a transition to COHS model in making that change after their current contracts expire;

WHEREAS, in 2019 the California Health Care Foundation also found deficiencies in the Regional Model after performing an independent evaluation;

WHEREAS, the Board of Supervisors approved the required letter of intent to transition to a COHS model on March 9, 2021

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER ORDAINS AS FOLLOWS:

SECTION I:

1. Purpose: Partnership HealthPlan of California Commission (“Commission”) is a multi-county commission that has created a managed health care plan for Medi-Cal recipients. The purpose of this chapter is to authorize the county of Placer to join the Commission. This will allow the implementation of a county organized health system in Placer County as authorized by Welfare and Institutions Code section 14087.54.

The Commission will negotiate an exclusive contract with the California Department of Health Care Services (DHCS) authorizing the expansion of the Commission into Placer County. This expansion is expected to occur on or about January 1, 2024.

2. Authorization to Join Commission: Pursuant to Welfare and Institutions Code section 14087.54, the Placer County board of supervisors hereby authorizes the county of Placer to join the Commission.

3. Membership of Commission: Commission representation shall be based on the number of Medi-Cal beneficiaries enrolled in the health plans in each participating county, as determined by the Commission’s established formula.

The Commission members appointed by the Placer County board of supervisors shall serve at the pleasure of the board under the following criteria: (1) Employees of the county within Health and Human Services, (2) Local healthcare and medical providers who provide services to Medi-Cal beneficiaries, (3) Medi-Cal beneficiaries, (4) Family members of Medi-Cal beneficiaries.

Individuals may be appointed to the Commission by the Placer County board of supervisors, with recommendations from the Placer County county executive officer and the Placer County director of health and human services.

4. Term of Office: The term for the commissioners shall be for two-year periods. Nothing herein shall prohibit a person from serving more than one term. Each Commission member shall remain in office at the conclusion of that member’s term until a successor member has been selected and installed into office. An office shall become vacant if a Commission member discontinues to live or work in the area from which appointed or fails to attend three meetings in a row of the Commission.

5. Committees: In collaboration with the Commission, the county may establish a local managed care committee that may include any members of the Commission Board, and that would inform the county members on the Commission on behalf of Placer County of local health needs, priorities and issues. Individuals on this local committee shall be nominated by Placer County director of health and human services or designee.

6. Termination of Membership: The Commission shall continue to represent Placer County until such time as the Placer County board of supervisors terminates the representation. To terminate the representation, the Placer County board of supervisors or its designee shall provide ninety (90) day notice to other participating counties and the State Department of Health Care Services, as specified in Welfare and Institutions Code section 14087.54(g).

SECTION II:

If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION III:

This ordinance shall take effect and be in full force thirty (30) days after the date of its passage. The Clerk is directed to publish this ordinance, or a summary thereof, within fifteen (15) days in accordance with Government Code section 25124.