



Health and Human Services  
Agency  
**COUNTY OF TULARE**  
**AGENDA ITEM**

**BOARD OF SUPERVISORS**

ALLEN ISHIDA  
District One

PETE VANDER POEL  
District Two

PHILLIP A. COX  
District Three

J. STEVEN WORTHLEY  
District Four

MIKE ENNIS  
District Five

**AGENDA DATE:** January 14, 2014

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>

CONTACT PERSON: Timothy Lutz PHONE: 624-8000

**SUBJECT:** Presentation on the County's Health Realignment for the Fiscal Year 2013-2014 and forward.

**REQUEST(S):**

That the Board of Supervisors:

1. Receive a follow-up presentation on the County's 1991 Health Realignment for the Fiscal Year 2013-2014 and forward;
2. Resolve that Tulare County shall participate in the Health Realignment savings formula, outlined in Article 13, Section 17613.1 of the Welfare and Institutions Code; and
3. Authorize the Chairman of the Board to sign three (3) copies of the Final Resolution for Determining Payments to the Family Support Subaccount document for submission to Department of Health Care Services (DHCS), pursuant to Section 17600.5 (b) of the Welfare and Institutions Code.

**SUMMARY:**

With the January 1, 2014 implementation of the major health coverage provisions of the Patient Protection and Affordable Care Act (ACA), a significant portion of the County's uninsured residents, who have no source of health care, will gain eligibility for Medi-Cal or will receive subsidized health insurance through the Health Care Exchange. As a result, the State of California will redirect a portion of the 1991 Health Realignment (henceforth Health Realignment) funding away from counties and into an account to support State obligations. The redirection of funds is based on the assumption that counties will have a lower level of spending ("savings") to

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fulfill their obligation to provide or arrange for the provision of medical care to indigents who have no other source for these services, under Welfare and Institutions Code Section 17000.

Assembly Bill 85 was passed in June 2013. The bill implemented a mechanism for the State to redirect Health Realignment funds and for certain counties to choose the method for funds to be redirected. Tulare County must select one of two options to be used by the State in determining the amount of redirected Health Realignment funding.

1. A Revenue/Cost Savings Formula based on historical revenues and expenditures for the medically indigent program.
2. A flat 60% State/40% County redirection of Health Realignment funds.

In the Fiscal Year 2013-2014, the State arbitrarily established a statewide redirection figure of \$300 million, proportioned by the existing Health Realignment allocation percentages by county. Beginning January 1, 2014, Health Realignment payments will be diverted on a monthly basis until the \$300 million has been transferred.

On October 16, 2013, Tulare County Health and Human Services (HHSA) submitted a data packet to the Department of Health Care Services (DHCS), detailing historical revenues and expenditures for the previous four years of Health Realignment. On November 5, 2013, HHSA staff provided a summary to the Board and was requested to provide a follow up status at a later date. HHSA staff have been in conversations with DHCS since October, on clarifying Tulare County's data submission and getting DHCS's approval of those files as the official historical files for the purposes of AB 85's, Article 13, savings formula calculation. Based on HHSA's analysis, it is in the County's best interest to select the savings formula as the basis for the ongoing Health Realignment funding reduction. HHSA requests that the Board of Supervisors resolve that Tulare County shall utilize the savings formula methodology on a going forward basis.

**FISCAL IMPACT/FINANCING:**

None

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

The County's five-year strategic plan includes the Economic Well-Being Initiative that promotes economic development opportunities, effective growth management and a quality standard of living. The presentation provides information that relates to the County's Economic Well-Being Initiative.

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**ADMINISTRATIVE SIGN-OFF:**

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Timothy Lutz  
Director of Fiscal Operations

Cc: Auditor-Controller  
County Counsel  
County Administrative Office (2)

Attachment(s) Department of Health Care Services Final Resolution

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF: PRESENTATION ON )  
THE COUNTY'S HEALTH REALIGNMENT ) Resolution No. \_\_\_\_\_  
FOR THE FISCAL YEAR 2013-2014 ) Agreement No. \_\_\_\_\_  
AND FORWARD )

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE  
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: JEAN M. ROUSSEAU  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

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State of California—Health and Human Services Agency  
**Department of Health Care Services**



EDMUND G. BROWN JR.  
GOVERNOR

**Final Resolution for Determining Payments to the Family Support Subaccount**

In compliance with Section 17600.50(b) of the Welfare and Institutions Code, Article 13 Counties (which include, Fresno, Merced, Orange, Placer, Sacramento, San Diego, San Luis Obispo, Santa Barbara, Santa Cruz, Stanislaus, Tulare, and Yolo) must adopt a resolution by January 22, 2014 informing the Director of the Department of Health Care Services of the County's final decision to choose either the County Savings Determination Process or the 60/40 formula option.

\_\_\_\_\_ County chooses the option selected below  
County Name

to determine payments to the Family Support Subaccount:

☐ **County Savings Determination Process** - The formula pursuant to Welfare and Institutions (W&I) Code, Section 17613.1. The County acknowledges that upon choosing this option, this determination method is final and not subject to change.

**OR**

☐ **60/40 Formula** - 60 percent of the 1991 health realignment funds that otherwise would have been allocated to the county and 60 percent of the county maintenance of effort, pursuant to W&I Code, Section 17600.50(b)(2). The county acknowledges that upon choosing this option, this determination method is final. However the county has a one-time option to submit a petition to the County Health Care Funding Resolution Committee pursuant to W&I Code, Sections 17600.60 (d) (A) & 17600.60 (d) (B) to later pursue the County Savings Determination Process.

I hereby certify, under penalty of perjury, that I am the official responsible for informing the State of the above option in said county for determining its payments to the Family Support Subaccount.

\_\_\_\_\_ Date \_\_\_\_\_  
County Official (Signature)

\_\_\_\_\_  
County Official Title