



Voluntary Rate Range IGT Program (VRRP IGT)

Huntington Beach Fire Department
September 3, 2024

Recommendation

- A) Approve and authorize execution of an agreement between the California Department of Health Care Services (DHCS) and City of Huntington Beach;
- B) Approve and authorize execution of a Health Plan-Provider Agreement - Intergovernmental Transfer Rate Range Program Agreement between CalOptima Health and the City of Huntington Beach
- C) Authorize designated city staff to execute the agreements; and
- D) Approve an appropriation of \$468,843 for the agreement during FY 24/25.



Background

- During FY 24/25, the City was notified of eligibility to participate in the Voluntary Rate Range IGT program (VRRP IGT). This is the second year that the City of Huntington Beach would participate in VRRP IGT.
- The City of Newport Beach and the City of Orange have participated in the VRRP IGT for over five years and have received net revenue. Other entities eligible for this year's VRRP IGT through CalOptima include First 5 Orange County, Orange County Health Care Agency, UCI Health, and Fountain Valley.

Background

The CalOptima Health Board Action Agenda Referral dated 08/31/2023 states:

The Voluntary Rate Range IGT program allows DHCS and CalOptima Health to secure additional Medi-Cal dollars for eligible Orange County entities. For each IGT transaction, DHCS identifies the estimated member months for rate categories (e.g., adult, adult optional expansion, child, long term care, seniors and persons with disabilities, and whole child model) and provides the total amount available for Orange County to contribute through funding entities. To receive funds, entities provide a dollar amount to DHCS, which is then used to obtain a federal match. DHCS distributes the funds and the match to the eligible entities through CalOptima Health.

Financial Impact

- Last year when the HBFD first participated in this VRRP IGT, the City of Huntington Beach's net revenue from this program was approximately \$3,243,360.
- For this year, the City of Huntington Beach's net revenue from this VRRP IGT is estimated to be \$3,868,980, which is an increase of approximately \$625,620.

Steps

Step 1

A) Approve and authorize execution of an agreement between the California Department of Health Care Services (DHCS) and City of Huntington Beach;

B) Approve and authorize execution of a Health Plan-Provider Agreement - Intergovernmental Transfer Rate Range Program Agreement between CalOptima Health and the City of Huntington Beach

C) Authorize designated City staff to execute the agreements; and

D) Approve an appropriation of **\$468,843** for the agreements during FY 24/25. (Note: **\$2,282,450** has been included in the FY 2024/25 Budget. The total is **\$2,751,293**)

Step 2

Huntington Beach transfers funds/pays DHCS **\$2,751,293** in FY 24/25.

Step 3

DHCS pays the IGT funds. Then CalOptima, the managed care plan, pays Huntington Beach **\$2,751,293 + \$3,868,980 = \$6,620,273** in FY 24/25.

Therefore, Huntington Beach's estimated net revenue is **\$3,868,980**.

Future

The City's ongoing participation in the program is dependent on available federal funding for the program and the City's ability to provide the upfront contribution required. The contribution and net revenue received annually by the City is also dependent on other factors, such as the number of program participants in the County and number of Medi-Cal calls for service.

Questions?

