



## **County of Santa Cruz Board of Supervisors**

### **Agenda Item Submittal**

**From:** Health Services Agency

**Subject:** Approve Agreement with Department of Health Care Services for Targeted Case Management and Medi-Cal Administrative Activities

**Meeting Date:** June 24, 2025

**Formal Title:** Approve three-year agreement with the Department of Health Care Services in the annual amount of \$1,699,100 and total amount of \$5,097,300 for the Health Services Agency to serve as Host County for statewide County-Based Medi-Cal Administrative Activities and Targeted Case Management programs, and take related actions

### **Recommended Actions**

1. Approve an expenditure agreement with the Department of Health Care Services, Contract No. 26H0169, in the annual amount of \$1,699,100 and total amount of \$5,097,300 for the Health Services Agency to serve as the Host County for statewide County-Based Medi-Cal Administrative Activities and Targeted Case Management programs through June 30, 2028; and
2. Authorize the Interim Director of Health Services or designee to sign the agreement.

### **Executive Summary**

In May 2025, the Board authorized the Health Services Agency (HSA) to serve as Host County for all Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) programs for an additional three years, Fiscal Year (FY) 2025-26 through FY 2027-28, accepting pass-through revenue from Local Government Agencies (LGAs) to be paid to the California Department of Health Care Services (DHCS) through affiliated revenue and expenditure agreements. HSA maintains a primary Host County expenditure contract with DHCS as part of its operation of statewide MAA and TCM programs. Board approval of the proposed agreement will renew the term through June 30, 2028 in the amount of \$1,699,100 annually for three years, totaling \$5,097,300.

### **Discussion**

On May 6, 2025, the Board authorized HSA to serve an additional three-year term as Host County for statewide MAA and TCM program and approved the execution of all related revenue agreements with LGAs for Host County services from FY 2025-26 through FY 2027-28. The Master revenue agreements with the various LGAs include participation in County-Based Medi-Cal Administrative Activities and/or Targeted Case Management (CMAA/TCM) and Mental Health Medi-Cal Administrative Activities (MHMAA). The proposed expenditure agreement with DHCS includes CMAA and TCM Programs. All Host County related expenditure and revenue agreements are included in the FY 2025-26 Continuing Agreements List (CAL).

As the MAA/TCM Host, HSA is a member of the statewide Consortium Executive Committee, whose role is to work with DHCS to implement policy and procedures for the MAA and TCM programs. Serving in this capacity allows HSA to provide input and consultation regarding policy and program changes that impact county MAA and TCM programs across California. Santa Cruz County has one of the most robust MAA and

TCM programs in the State, with plans to further optimize revenue in these areas. Serving as Host County allows HSA to provide feedback to DHCS that will assist in efficient and proper administration of these statewide programs, which in turn optimizes the programs and revenues for 30 organization units within Santa Cruz County currently receiving funds through the MAA/TCM programs.

HSA's operation of MAA and TCM programs support health care programming delivered to Medi-Cal beneficiaries served in HSA's Federally Health Qualified Health Center (FQHC) clinics and residents throughout Santa Cruz County as needed. As the host administrator for the LGA Consortium, HSA supports MAA and TCM programs statewide.

### **Financial Impact**

The expenditure agreement with DHCS, Contract No. 26H0169, for CMAA/TCM will pass through funding from the LGAs to DHCS in the amount of \$1,699,100 annually, and is included in the HSA Administrative Services Division's FY 2025-26 Budget under account 360150/62381.

This expenditure agreement is funded by collecting revenue from the up to 61 LGA through two corollary Master revenue agreements, which were approved by the Board on May 6, 2025. In HSA's role as a fiscal intermediary between the LGAs and DHCS, HSA manages various expenditure contracts with consultants providing MAA fiscal administration services and retains an annual stipend in the amount of \$100,000.

The CMAA-TCM and MHMAA programs are federal cost reimbursement programs originating from the Center of Medicaid Services (CMS). The reimbursement is paid from CMS through DHCS, who in turn reimburses the LGAs. While HSA continues to monitor potential federal funding and policy changes that may impact State revenues and services, there is no direct financial impact to HSA related to this contract in this pass-through role. The program requires no County General Fund contribution.

### **Strategic Initiatives**

Operational Plan - Comprehensive Health & Safety

### **Submitted By:**

Jennifer Herrera, Interim Director of Health Services

### **Recommended By:**

Carlos J. Palacios, County Executive Officer

### **Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.