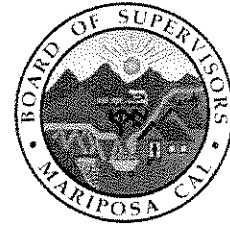




# MARIPOSA COUNTY

Administration • 209-966-3222



## RESOLUTION - ACTION REQUESTED 2012-185

MEETING: April 17, 2012

TO: The Board of Supervisors

*Res. 12-185*

FROM: Rick Benson, County Administrative Officer

RE: Letter Supporting AB 2096

### RECOMMENDATION AND JUSTIFICATION:

Authorize the Chairman of the Board of Supervisors to sign a letter supporting Assembly Bill (AB) 2096 - District Hospitals: Uncompensated Care Federal Funding. Under current law, California public hospitals are eligible to receive pass through federal Medi-Cal funding from the State. This funding is meant to assist hospitals in providing care to low income patients. Up until this time district hospitals, such as John C. Fremont Hospital, have not been deemed eligible to receive this funding.

District hospitals provide fifteen-percent of the uncompensated care in California with an estimated cost to those hospitals of \$90 million. Even though they provide uncompensated care, District Hospitals receive none of the \$1.8 billion provided to County and University of California hospitals, nor have they received any on the \$3.2 million made available to prepare for healthcare reform. AB 2096 will allow District Hospitals to benefit from available federal funding and reduce the burden on local taxpayers in providing medical services to low income patients.

Additional original letters of support for AB 2096 are also requested to be sent to William Monning, Chairman - Assembly Health Committee; Teri Boughton, Chief Consultant - Assembly Health Committee; District Hospital Leadership Forum.

### BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board has previously authorized the Chairman of the Board of Supervisors to sign letters supporting legislation that will benefit the citizens of Mariposa County.

### ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not authorize the Chairman of the Board of Supervisors to sign a letter supporting AB 2096. Individual Board members may draft their own letters of support which may not carry the same weight as a letter of support from the entire Board of Supervisors.

### ATTACHMENTS:

# Resolution - Action Requested 201L-185

AB 2096 (PDF)

ab\_2096\_bill\_20120223\_introduced (PDF)

## CAO RECOMMENDATION

Requested Action Recommended

  
Rick Benson, County Administrative Officer

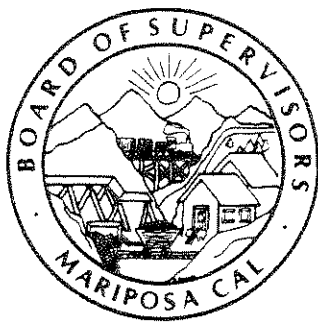
**RESULT: ADOPTED [UNANIMOUS]**

**MOVER:** Kevin Cann, District IV Supervisor

**SECONDER:** Lee Stetson, District I Supervisor

**AYES:** Stetson, Turpin, Bibby, Cann, Allen

# Mariposa County Board of Supervisors



District 1 ..... LEE STETSON  
District 2 ..... LYLE TURPIN  
District 3 ..... JANET BIBBY  
District 4 ..... KEVIN CANN  
District 5 ..... JIM ALLEN

RICHARD J. BENSON  
County Administration Officer

MARGIE WILLIAMS  
Clerk of the Board

P. O. Box 784  
Mariposa, CA 95338  
(209) 966-3222  
(800) 736-1252

Fax (209) 966-5147

[www.mariposacounty.org/board](http://www.mariposacounty.org/board)

April 17, 2012

Honorable V. Manuel Perez  
California State Assembly Member  
State Capitol  
Post Office Box 942849  
Sacramento, California 94249-0080

RE: Assembly Bill 2096 - SUPPORT

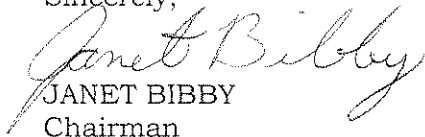
Dear Assembly Member Perez:

The Mariposa County Board of Supervisors supports Assembly Bill (AB) 2096 and urges prompt passage of the measure. AB 2096 addresses statutory oversight that currently excludes District Hospitals from accessing matching federal dollars which at this time are only available to County and University of California hospitals. The federal funding is made available through the 2010 Section 1115 Medicaid Waiver – use of Certified Public Expenditures for the care of the uninsured. The Terms and Conditions of the Medicaid Waiver clearly state, “other public hospitals may participate in this program if so designated by the State.” AB 2096 will provide this designation.

Mariposa County’s District Hospital is the sole provider in the County for public emergency medical and inpatient care. The nearest other services are located between 40 and 70 miles from the town of Mariposa. Mariposa County’s annual subvention to the District is approximately \$1.7 million, or roughly 8.5 percent. These dollars are barely sufficient to maintain critical services in an increasingly turbulent health care reimbursement environment, especially when considering health care reform with its unfunded mandates and the delays in State Medi-Cal payments.

Passage of AB 2096 will help maintain access to health care in our medically under-served community while also promoting fairness in reimbursing the District Hospital for serving those most in need. Thank you for your time and consideration on this important measure.

Sincerely,

  
JANET BIBBY  
Chairman

mbh

cc: State Senator Berryhill  
Assembly Member Olsen  
Board of Directors, John C. Fremont Healthcare District

**ASSEMBLY BILL**

**No. 2096**

**Introduced by Assembly Member V. Manuel Pérez**

February 23, 2012

An act to amend Section 14182.3 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 2096, as introduced, V. Manuel Pérez. Public health care: Medi-Cal: demonstration projects.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law establishes the Medi-Cal Hospital/Uninsured Care Demonstration Project Act, which revises hospital supplemental payment methodologies under the Medi-Cal program in order to maximize the use of federal funds consistent with federal Medicaid law and to stabilize the distribution of funding for hospitals that provide care to Medi-Cal beneficiaries and uninsured patients. Existing law requires the department to seek another demonstration project or federal waiver of Medicaid law to implement specified objectives, which may include better care coordination for seniors, persons with disabilities, and children with special health care needs. Existing law provides that to the extent the provisions under the Medi-Cal Hospital/Uninsured Care Demonstration Project Act do not conflict with the provisions of, or the Special Terms and Conditions of, this demonstration project, the provisions of the Medi-Cal Hospital/Uninsured Care Demonstration Project Act shall apply. Under

existing law, if the Director of Health Care Services determines that the amount of base funding available under the new demonstration project is less than a specified amount available to public hospitals under the original demonstration project, the state is authorized to reallocate funding to increase the amount of base funding for the new demonstration project.

This bill would refer to designated and nondesignated public hospitals, in the latter provision described above..

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 14182.3 of the Welfare and Institutions  
2 Code is amended to read:

3 14182.3. (a) To the extent the provisions of Article 5.2  
4 (commencing with Section 14166) do not conflict with the  
5 provisions of this article or the Special Terms and Conditions of  
6 the new demonstration project created under this article, the  
7 provisions of Article 5.2 (commencing with Section 14166) shall  
8 continue to apply to the new demonstration project.

9 (b) In the event of a conflict between any provision of this article  
10 and the Special Terms and Conditions required by the federal  
11 Centers for Medicare and Medicaid Services for the approval of  
12 the demonstration project described in Section 14180, the Special  
13 Terms and Conditions shall control.

14 (c) (1) Under the demonstration project described in Section  
15 14180, the state shall have priority to claim against and retain the  
16 first five hundred million dollars (\$500,000,000) in federal funds  
17 using expenditures incurred under state-only programs or other  
18 programs for which the state is authorized to claim under the  
19 Special Terms and Conditions of the demonstration project or  
20 federal Medicaid law, including state-only programs that serve  
21 special populations, such as those for which state savings were  
22 recognized in the Budget Act for the 2010–11 fiscal year.

23 (2) Notwithstanding paragraph (1), if the director determines  
24 that the amount of base funding available under the demonstration  
25 project described in Section 14180 is less than the six hundred  
26 eighty-one million six hundred forty thousand dollars  
27 (\$681,640,000) available to *designated and nondesignated* public

Attachment: ab\_2096\_bill\_20120223\_introduced (1267 : Letter Supporting AB 2096)

1 hospitals under the original demonstration project, the state may  
 2 reallocate an amount from the five hundred million dollars  
 3 (\$500,000,000) described in paragraph (1) to increase the amount  
 4 of base funding under the new demonstration project to six hundred  
 5 eighty one million six hundred forty thousand dollars  
 6 (\$681,640,000).

7 (3) For purposes of this section, the term “base funding” includes  
 8 funding for the safety net care pool or a similar pool or fund for  
 9 health coverage expansion, and for an investment, incentive, or  
 10 similar pool, but shall not include funds made available to hospitals  
 11 or counties for inpatient or outpatient Medi-Cal reimbursements,  
 12 expansion of managed care for seniors and persons with disabilities,  
 13 or other expansions of systems of care for individuals who are  
 14 eligible under the Medi-Cal state plan.

15 (4) If the state is unable to claim the full amount of the five  
 16 hundred million dollars (\$500,000,000) described in paragraph  
 17 (1), any portion of the amount that remains unclaimed may be  
 18 reallocated to be claimed based on the certified public expenditures  
 19 of the designated public hospitals.

20 (d) The director shall have authority to maximize available  
 21 federal financial participation under the demonstration project  
 22 described in Section 14180, including, but not limited to,  
 23 authorizing the use of intergovernmental transfers by district  
 24 hospitals that are not reimbursed under a contract negotiated  
 25 pursuant to the Selective Provider Contracting Program, to fund  
 26 the nonfederal share of expenditures to the extent permitted by the  
 27 Special Terms and Conditions of the demonstration project.

28 (e) Participation in intergovernmental transfers under this section  
 29 is voluntary on the part of the transferring entity for purposes of  
 30 all applicable federal laws. As part of its voluntary participation  
 31 in the nonfederal share of payments under this subdivision by  
 32 means of intergovernmental transfers, the transferring entity agrees  
 33 to reimburse the state for the nonfederal share of state staffing or  
 34 administrative costs directly attributable to the state’s  
 35 implementation of these voluntary intergovernmental transfers.  
 36 This subdivision shall be implemented only to the extent federal  
 37 financial participation is not jeopardized.

38 (f) Notwithstanding the rulemaking provisions of Chapter 3.5  
 39 (commencing with Section 11340) of Part 1 of Division 3 of Title  
 40 2 of the Government Code, the department may clarify, interpret,

Attachment: ab\_2096\_bill\_20120223\_introduced (1267 : Letter Supporting AB 2096)

AB 2096

— 4 —

1 or implement the provisions of this section by means of provider  
2 bulletins or similar instructions. The department shall notify the  
3 fiscal and appropriate policy committees of the Legislature of its  
4 intent to issue instructions under this section at least five days in  
5 advance of the issuance.

O