

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Health Services Agency *mk*

BOARD AGENDA # *B-9

Urgent Routine

AGENDA DATE December 21, 2010

CEO Concurs with Recommendation YES NO
mk
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval for the Health Services Agency to Enter the Blue Shield of California Foundation Grant Agreement #4385443 to Consider the Appropriateness of an Application to the State of California for a Coverage Expansion and Enrollment Demonstration Project

STAFF RECOMMENDATIONS:

1. Approve the Health Services Agency Managing Director or her designee to enter the Blue Shield of California Foundation Grant Agreement #4385443, and any amendments, to consider the appropriateness of an application to the State of California for a Coverage Expansion and Enrollment Demonstration Project (CEED).

(Continued on Page 2)

FISCAL IMPACT:

The Blue Shield of California Foundation Grant Agreement #4385443 is in the amount of \$200,000. The first \$100,000 would be issued to the Health Services Agency during the existing 2010/2011 Fiscal Year while the remaining \$100,000 would be issued early in Fiscal Year 2011/2012. The Health Services Agency will include necessary budget adjustments in the proposed 2010/2011 Mid-Year Budget Report and in the proposed Fiscal Year 2011/2012 budget. There is no impact to the County General Fund.

BOARD ACTION AS FOLLOWS:

No. 2010-773

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS (Continued):

2. Authorize the Health Services Agency Managing Director or her designee to negotiate and enter an Independent Contractor Agreement with Health Management Associates to perform the consultative work for an amount not to exceed \$150,000, as contained in the approved scope of work and budget in the Blue Shield of California Foundation grant agreement #4385443.

DISCUSSION:

The State of California recently entered into a new agreement with the federal government for a Section 1115 Medicaid Waiver under the Social Security Act. Note: Medicaid is known as Medi-Cal in California. Section 1115 waivers allow the federal Secretary of Health and Human Services to waive certain requirements to enable State proposed demonstration projects. This new agreement makes way for the demonstration project called the "California Bridge to Reform Demonstration."

While there are several areas or programs impacted by the waiver agreement, this staff recommendation is relative to the health care coverage expansion referred to in the waiver agreement as the "Low Income Health Program" and referred to by the State of California as the "Coverage Expansion and Enrollment Demonstration" or CEED.

Briefly, the CEED project allows counties to submit an application to the State of California to provide health care coverage to low income uninsured using local dollars to "match" or obtain new federal funding. While there is still much to learn about this opportunity and the requirements that would accompany the funding, it appears that existing county realignment dollars spent on health care could be used to obtain the new federal match dollars.

Anticipating the pending Section 1115 waiver agreement last summer, the Blue Shield of California Foundation issued a grant proposal opportunity to counties. Referred to as a planning grant, it is for the purpose of evaluating the CEED opportunity, and is intended if determined feasible given the requirements of the CEED, to result in a recommendation to the Board of Supervisors with regard to a CEED application to the State of California.

The Health Services Agency briefly conferred with Behavioral Health and Recovery Services, Golden Valley Health Centers and Doctors Medical Center prior to responding to the Blue Shield Foundation announcement. The Health Services Agency's interest in pursuing the planning project is to evaluate the feasibility of facilitating an early expansion of health reform coverage by leveraging existing local dollars to obtain the essential and enabling new federal dollars.

Approval for the Health Services Agency to Enter the Blue Shield of California Foundation Grant Agreement #4385443 to Consider the Appropriateness of an Application to the State of California for a Coverage Expansion and Enrollment Demonstration Project
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POLICY ISSUES:

Approval of these staff recommendations is aligned with the Board of Supervisors priorities of A Healthy Community, Efficient Delivery of Public Services, and Effective Partnerships as it will enable staff to facilitate and produce an informed analysis with community healthcare stakeholder input and expert consultation, and develop a subsequent recommendation to the Board of Supervisors with regard to a Coverage Expansion and Enrollment Demonstration Project application.

STAFFING IMPACT:

In addition to the consultative work to be performed by Health Management Associates, existing staff will perform the work necessary to meet the requirements of the grant agreement.

DEPARTMENT CONTACT:

Mary Ann Lee, Managing Director, 209-558-7163.

Blue Shield of California Foundation Grant Agreement

Blue Shield of California Foundation ("the Foundation") has approved a **\$200,000** grant to Stanislaus County Health Services Agency ("Grantee") to support the project, **2010 County Coverage Expansion Planning, Round Two**, for the 12 month period 1/1/2011 to 12/31/2011. Funds provided under this grant will be used to be a catalyst for healthcare reform implementation by supporting planning efforts that enable California counties to create or expand coverage initiatives through the Section 1115 Medicaid waiver. The key objectives are:

1. By March 1, 2011, select a consultant to assist Stanislaus County in analyzing options for a CEED program through financial and budget modeling, assessment of medical home and chronic care management models, network development, and assessment of population health needs.
2. By April 1, 2011, convene the Community Health Improvement Plan task force and other stakeholders, including community members, healthcare providers, advocates, and policy experts, to examine opportunities for creating a CEED.
3. By July 1, 2011, complete an assessment to identify the major challenges to care coordination, access to care, and primary care home assignment for the CEED-eligible population.
4. By August 1, 2011, decide whether to submit an application to the California Department of Health Care Services for creation of a CEED.

Grant payments will be issued according to the following schedule:

1 st payment of \$100,000	Issued upon receipt of signed grant agreement
2nd and final payment of \$100,000	Issued upon receipt and review of interim report

This is a legally binding agreement ("Agreement"). It will be effective upon our receipt of an original of this Agreement, signed by an authorized representative of your organization. We will arrange for payment of the first installment of the grant within 30 days of our receipt of a signed original.

Please read the terms and conditions of this Agreement very carefully, including its reporting requirements. The Foundation will not consider grant renewals for grantees who fail to meet reporting requirements.

TERMS AND CONDITIONS

1. **Use of Funds.** Grantee shall use the grant funds only for the purposes of the specific project described above and substantially in accordance with the approved budget included with Grantee's proposal. Grantee shall repay to the Foundation any portion of the grant funds which are not spent or committed, or which are not used for the specific project described in this Agreement. Any significant changes in the purpose for which grant funds are spent or in the budget or grant period must be approved in writing by the Foundation before the funds are spent.
2. **Reporting.** Report(s) are to be furnished to the Foundation no later than the following date(s):

Interim	7/1/2011
Final	2/1/2012

In addition to the required report(s), BSCF may contact you mid-course of the grant term to inquire about the status of the project.

Blue Shield of California Foundation Grant Agreement

The purpose of these reports(s) is to permit the Foundation to learn from its experience as a grantmaker and to meet its obligations under federal and state regulations. Failure to submit these report(s) may disqualify Grantee from receiving future funding from the Foundation.

3. **Evaluation and Monitoring.** The Foundation may monitor and conduct an evaluation of operations under this grant. This may include a visit from Foundation staff, Trustees, and/or Foundation advisors, to observe Grantee's program, discuss the program with Grantee's personnel, and review financial and other records and materials connected with the activities financed by this grant. In addition, Grantee shall provide to the Foundation copies of any publications or other materials produced, in full or in part, with Foundation funds.
4. **Recordkeeping.** Grantee shall keep adequate records to substantiate expenditures from grant funds. Grantee shall make its books and records pertaining to the grant funds available to the Foundation at reasonable times for review and audit, and shall comply with all reasonable requests of the Foundation for information and interviews regarding use of grant funds. Grantee shall keep copies of all books and records related to this grant and all reports to the Foundation for at least four years after Grantee has expended the last of the grant funds.
5. **Sub-grantees.** Grantee shall retain full discretion and control over the selection of any sub-grantees or sub-contractors to carry out Grantee's charitable purposes and shall act completely independently of the Foundation. The Foundation and Grantee acknowledge that there is no agreement, written or oral, by which the Foundation may cause Grantee to choose any particular sub-grantee or sub-contractor. Grantee shall require that any sub-grantee or sub-contractor be subject to the requirements of Paragraphs 1, 2, 3, 4, 7, 10, 11, 12 and 13 of this Agreement, substituting Grantee for the Foundation and the sub-grantee or sub-contractor for Grantee, as applicable. All obligations of Grantee under these Paragraphs shall remain in full force and effect.
6. **Funds Not Earmarked; Grantee Representation.** The grant funds are not earmarked to be used in any attempt to influence legislation within the meaning of Internal Revenue Code ("IRC") Section 4945(e). The Foundation and Grantee have made no agreement, oral or written, to that effect. Grantee represents that the statements made in Grantee's grant request and proposed budget, as to the amount budgeted by Grantee for project activities that are not attempts to influence legislation are accurate. In reliance on such representation, the Foundation has determined that this grant is not earmarked for influencing legislation within the meaning of IRC Section 4945(e), and the Foundation and Grantee have made no agreement, oral or written, to that effect. Thus, any use of grant funds by Grantee for such activities constitutes a decision of Grantee that is wholly independent of the Foundation.
7. **Prohibited Uses.** Grantee shall not use any portion of the funds granted:
 - a. To influence the outcome of any specific election for candidates to public office, or to carry on, directly or indirectly, a voter registration drive within the meaning of IRC Section 4945(d)(2), as interpreted by its accompanying regulations;
 - b. To undertake an activity for any purpose other than a religious, charitable, scientific, literary, educational, or other purpose specified in IRC Section 170(c)(2)(B); or

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- c. To induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, or to take any other action inconsistent with IRC Section 501(c)(3).
8. **Grant Announcements.** Grantee shall submit in advance to the Foundation, for review and revision at the sole discretion of the Foundation, any announcements Grantee intends to make regarding the grant, and any publications referring to the grant Grantee intends to publish other than in its annual reports or tax returns. The Foundation may include information on the grant in its periodic public reports and may also refer to the grant in a press release. If there are special considerations concerning the public announcement of this grant, or if Grantee would like to coordinate a public announcement of the grant with the Foundation, Grantee may contact the Foundation to discuss Grantee's plans.
9. **Representation and Warranty Regarding Tax Status.** By entering into this Agreement, Grantee represents and warrants that Grantee is exempt from federal income tax under IRC Section 501(c)(3) or in the absence of such a determination, that Grantee is a state or any political subdivision thereof within the meaning of Code Section 170(c)(1), or a state college or university within the meaning of Code Section 511(a)(2)(B) (referred to hereafter as a "Public Charity") and that it is not a private foundation as defined in IRC Section 509(a) (i.e., that it is a "Public Charity"). Such representation and warranty shall continue through the completion date of this grant.
10. **Publications; License.** Any information contained in publications, studies, or research funded by this grant shall be made available to the public following such reasonable requirements or procedures as the Foundation may establish from time to time. Grantee grants to the Foundation an irrevocable, nonexclusive license to publish any publications, studies, or research funded by this grant at its sole discretion.
11. **Violation of Terms; Change of Status.** In the case of any violation by Grantee of the terms and conditions of the grant, including but not limited to not executing the work of the grant in substantial compliance with the proposal, or in the event of any change in or challenge by the Internal Revenue Service of Grantee's status as a Public Charity, the Foundation reserves the right in its absolute discretion to terminate the grant as provided in Paragraph 16. The Foundation's determination will be final and will be binding and conclusive upon Grantee. Grantee shall give the Foundation immediate written notice of any change in Grantee's tax exempt or Public Charity status. If final or interim reports are not received in a timely manner, the Foundation may withhold payment until the outstanding report is received, and may terminate the grant as provided in Paragraph 16 if any such report is not received within a reasonable time (no more than sixty [60] days) following the date on which it was due.
12. **No Agency.** Grantee is solely responsible for all activities supported by the grant funds, the content of any product created with the grant funds, and the manner in which such products may be disseminated. This Agreement shall not create any agency relationship, partnership, or joint venture between the parties, and Grantee shall make no such representation to anyone.
13. **Terrorist Activity.** Grantee agrees that the grant funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules and executive orders.

Blue Shield of California Foundation Grant Agreement

14. **Further Assurances.** Grantee acknowledges that it understands its obligations imposed by this Agreement, including but not limited to those obligations imposed by reference to the IRC. Grantee agrees that if Grantee has any doubts about its obligations under this Agreement, including those incorporated by reference to the IRC, Grantee will promptly contact the Foundation or legal counsel.
15. **Indemnification.** Grantee irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless the Foundation, its officers, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Grantee, its employees, or agents, in applying for or accepting the grant, or in expending or applying the grant funds or carrying out any project or program to be supported by the grant, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any act or omission of the Foundation, its officers, directors, employees, or agents.
16. **Remedies.** If the Foundation determines, in its sole discretion, that Grantee has substantially violated or failed to carry out any provision of this Agreement, including but not limited to failure to submit reports when due, the Foundation may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee under this or any other grant agreement, and the Foundation may demand the return of all or part of the grant funds not properly spent or committed to third parties, which Grantee shall immediately repay to the Foundation. The Foundation may also avail itself of any other remedies available by law.
17. **Captions.** All captions and headings in this Agreement are for the purposes of reference and convenience only. They shall not limit or expand the provisions of this Agreement.
18. **No Waivers.** The failure of the Foundation to exercise any of its rights under this Agreement shall not be deemed to be a waiver of such rights.
19. **Entire Agreement.** This Agreement supersedes any prior or contemporaneous oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with respect to its subject matter. This Agreement may not be amended or modified, except in a writing signed by both parties.
20. **Governing Law; Venue.** This Agreement shall be governed by the laws of the State of California applicable to contracts to be performed entirely within the State. For the purpose of any action or proceeding arising out of or relating to this Agreement, each of the parties hereto irrevocably (a) submits to the exclusive jurisdiction of the state courts of California and to the jurisdiction of the United States District Court for the District of Northern California and (b) agrees that all claims in respect of such action or proceeding shall be heard and determined exclusively in any California state or U.S. federal court sitting in the City and County of San Francisco, California.

Blue Shield of California Foundation Grant Agreement

Please have one copy of this agreement reviewed and signed where indicated by an authorized officer of Grantee and returned to the attention of Gwyneth Tripp, Grants Administrator. Once countersigned, a final copy of the agreement will be posted to our online system and a notice emailed to the grantseeker for download at any time, using the link and grantseeker credentials noted in the letter accompanying this agreement. If, at any time during the life of this grant you have questions or if changes in circumstance arise, please feel free to contact your Program Officer, Richard Thomason.

ACCEPTED AND AGREED:

Grantee: Stanislaus County Health Services Agency

EIN:

By:



Signature of person authorized to sign on behalf of the grantee

Printed
Name:

MARYANN LEE

Title:

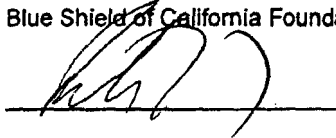
MANAGING DIRECTOR

Date:

12/22/10

Foundation: Blue Shield of California Foundation

By:



Printed
Name:

Peter Long

Title:

President and CEO

Date:

12/30/10

NOTE: Payment(s) on this grant will be delivered to your organization's bank account by electronic funds transfer, using the information your organization provides in the required ACH form. Once funds have been transmitted, a notice will be emailed to the contact indicated on the completed form.