



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: November 15, 2022

08

TO: Board of Supervisors

SUBJECT

AUTHORIZE AN AMENDMENT TO EXTEND EXISTING CONTRACT WITH UNITED HEALTH CARE FOR ADMINISTRATIVE SERVICES ORGANIZATION, EXTEND EXISTING CONTRACTS WITH PROVIDERS OF PRIMARY CARE SERVICES, AUTHORIZE PROCUREMENT FOR NEW SERVICES, AND AUTHORIZE APPLICATION FOR ADDITIONAL FUNDING OPPORTUNITY ANNOUNCEMENTS (DISTRICTS: ALL)

OVERVIEW

The County of San Diego (County) Health and Human Services Agency (HHS) has ongoing and evolving needs for administrative services organization (ASO) support for their healthcare services programs. Since 2005, the County has contracted for ASO services with United Health Care (dba AmeriChoice), which includes scopes of work that support HHS Self-Sufficiency Services, Public Health Services, and Medical Care Services. Specific activities of the ASO include:

- Fund management and administration,
- Management information system design and maintenance,
- Enrollment and eligibility certification,
- Utilization management and care coordination,
- Claims adjudication, payment processing, and financial analysis and management,
- Provider network development, provider relations, and management and oversight,
- Complaints, grievances, and appeals processing, and
- Reconciliation of claims at fiscal year-end.

Approval of today's recommended actions authorizes an extension of the existing ASO contract for one year with one option year and up to six months if needed to allow HHS to evaluate its current and future needs to better inform a new scope(s) of work for ASO services, and authorizes issuance of a competitive solicitation for those services and to award a new contract, subject to successful negotiations and determination of fair and reasonable pricing. Today's actions would also authorize the extensions of the existing primary care service contracts for one year with one option year and up to six months if needed to align with the ASO contract. Today's actions would also authorize the Agency Director, Health and Human Services Agency, to apply for additional funding opportunities, if available, to support efforts to manage the day-to-day operations and

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administration, monitoring of contracts with private sector health care providers and to assist with third-party billing efforts.

This item supports the County's vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities by building better access to high quality medical care that leads to improved physical and behavioral health. Additionally, today's action supports the County's Framework for the Future by upholding practices that improve transparency and trust while maintaining good fiscal management of County resources.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. In accordance with Board Policy A-87, Competitive Procurement, and Administrative Code Section 401, approve and authorize the Director, Department of Purchasing and Contracting, subject to successful negotiations and a determination of a fair and reasonable price, to amend contract #507645 with United Health Care (dba AmeriChoice) to extend the contract term for one year with one option year and up to six months if needed; and amend the contracts as required in order to reflect changes to services and funding allocations, subject to the approval of the Agency Director, Health and Human Services Agency.
2. In accordance with Board Policy A-87, Competitive Procurement, and Administrative Code Section 401, approve and authorize the Director, Department of Purchasing and Contracting, subject to successful negotiations and a determination of a fair and reasonable price, to amend primary care service contracts (#556170, #556172, #563284, #556175, #556154, #556176, #556212, and #556211) to extend the contract term for one year with one option year and up to six months if needed; and amend the contracts as required in order to reflect changes to services and funding allocations, subject to the approval of the Agency Director, Health and Human Services Agency.
3. In accordance with Section 401, Article XXIII of the County Administrative Code, authorize the Director, Department of Purchasing and Contracting, to issue a competitive solicitation for an administrative services organization, and upon successful negotiations and determination of a fair and reasonable price, award contracts for a term of one initial year, with four option years, and up to an additional six months if needed, and to amend the contracts to reflect changes in program, funding, or service requirements, subject to the availability of funds and the approval of the Agency Director, Health and Human Services Agency.
4. Authorize the Agency Director, Health and Human Services Agency, to apply for additional funding opportunities, if available, to support operations, administration, and monitoring of contracts with private sector providers of health care, and to assist with third-party billing efforts.

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EQUITY IMPACT STATEMENT

On July 13, 2021 (14), the San Diego County Board of Supervisors committed to a core set of values established by the Framework for the Future, which prioritizes racial justice, health equity, economic opportunity, environmental protection, government transparency, and fundamental changes to County of San Diego (County) operations. These principles drive the County's policy approach and allocation of resources to ensure quality services are provided to address social drivers of health, and to mitigate disparities and inequities.

Health equity is a key component of the regional *Live Well San Diego* vision and the COVID-19 pandemic further validated health equity as an important and timely topic. The pandemic has brought to light some of the health inequities that exist in San Diego County, as well as the nation. The demand for safety net programs, such as CalFresh and Medi-Cal has continued to increase as a result of the economic impacts of the pandemic. From January 2020 to September 2022, the number of individuals receiving CalFresh has increased by approximately 37% and the number of those receiving Medi-Cal has increased by approximately 38%. These programs serve as a social safety net for low-income San Diegans allowing our most vulnerable community members to combat food insecurity and meet their health care needs. San Diego Advancing and Innovating Medi-Cal (SDAIM) aims to transform and strengthen Medi-Cal through a health equity approach with one million lives in San Diego County covered by Medi-Cal by focusing on quality care and social drivers of health between public and private sectors broadening the healthcare and social service safety net. This action supports future SDAIM efforts by ensuring HHSa has the infrastructure and capacity in place with these contracted services to manage operations, administration, and monitoring of contracts with private sector health care providers and third-party billing, as services reimbursable under CalAIM are contemplated.

SUSTAINABILITY IMPACT STATEMENT

The proposed actions align with the County of San Diego's (County) sustainability goals to strive for County programs, operations and contracts that reflect the County's values and priorities, including equity and sustainability. The proposed actions also support the goal to protect the health and wellbeing of everyone in the region, with a focus on collaborating with community partners.

The services provided by the administrative services organization (ASO) support the Health and Human Services Agency in providing efficient and effective services. Because operations are streamlined, service providers are able to focus on protecting health and wellbeing, in partnership with community partners, while also advancing efforts to become a zero-waste region.

Should an extension of these contracts be approved by the San Diego County Board of Supervisors, the ASO will support the HIV, STD and Hepatitis Branch of Public Health Services, Medical Care Services, and Self-Sufficiency Services departments. These departments serve to prevent, detect, and treat various diseases as well as help communities achieve self-sufficiency. Testing and identification will improve the overall health of communities, reduce the demand of associated care services, while increasing effectiveness of care providers and lowering operating costs of

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facilities, thus reducing greenhouse gas emissions and waste generated within the care sector. Since climate change and air pollution are direct threats to human health, the reduction of pollution, which can negatively impact human health, is also considered a preventative healthcare measure.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2022-24 Operational Plan in the Health and Human Services Agency. If approved, today's actions will result in costs and revenue of approximately \$3 million in FY 2022-23 and costs and revenue of approximately \$3 million in FY 2023-24. The funding sources are the federal Ryan White Treatment Extension Act Parts A and B from the U.S. Health Resources and Services Administration, reimbursements from Medi-Cal Managed Care Plans, American Rescue Plan Act, existing General Purpose Revenue and other applicable State and/or federal funding as available. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

The Health Services Advisory Board reviewed this item and recommended approval of the recommendations at its meeting on October 4, 2022.

BACKGROUND

The County of San Diego (County), through the Health and Human Services Agency (HHSA) is responsible for maintaining and protecting the health of the residents of San Diego County by carrying out statutes and regulations of the federal and State governments as well as ordinances and policies of the San Diego County Board of Supervisors. Since 2005, the County has contracted with United Health Care (dba AmeriChoice) for administrative services organization (ASO) services to manage the day-to-day operations and the development, administration, implementation, monitoring, and evaluation of contracts with private sector providers of health care (contract #507645). Currently, this ASO contract provides administrative and support services for the County Medical Services (CMS) program administered by HHSA, Self-Sufficiency Services, as well as the Ryan White Treatment Extension Act administered by HHSA, Public Health Services. Specific activities of the ASO include:

- Fund management and administration,
- Management information system design and maintenance,
- Enrollment and eligibility certification,
- Utilization management and care coordination,
- Claims adjudication, payment processing, and financial analysis and management,
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In the last fiscal year, Medical Care Services worked with AmeriChoice to assist with third party billing related to the County's provision of COVID-19 vaccines. COVID-19 vaccine billing efforts are still underway. AmeriChoice has billed 668,882 claims for vaccines administered, primarily to public and commercial insurances and federal reimbursement programs, resulting in the County recouping \$12,276,850 as of September 22, 2022, to offset operational costs.

AmeriChoice specific activities are utilized by the HIV, STD, and Hepatitis Branch within Public Health Services to ensure that individuals with HIV receive the necessary medical and psychiatric care as mandated by the Ryan White Treatment Extension Act Parts A and B from the U.S. Health Resources and Services Administration (HRSA), and reimbursements from Medi-Cal Managed Care Plans. There are currently seven organizations who have contracts with the County to provide these services. These providers are paid through the ASO. These contracts include #556170, #556172, #563284, #556175, #556154, #556176, #556212, and #556211.

As of August 2022, there were 986,541 Medi-Cal recipients in San Diego County, which is approximately one-third of the region's population and the second largest Medi-Cal population in the State. Additionally, the State Department of Health Care Services (DHCS) has launched California Advancing and Innovating Medi-Cal (CalAIM), a multiyear initiative to improve the quality of life and health outcomes by implementing broad delivery system, program, and payment reform across the Medi-Cal program. As local needs regarding CalAIM implementation are still evolving, extension of the existing contract will allow for appropriate analysis and planning to occur to inform solicitation for a future ASO provider. This action will ensure HHSA has the infrastructure and capacity in place with these contracted services to manage operations, administration, and monitoring of contracts with private sector health care providers and third-party billing, as services reimbursable under CalAIM are contemplated.

Approval of today's recommended actions authorizes an extension of the existing ASO contract for one year with one option year and up to six months if needed, to allow HHSA to evaluate its current and future needs to better inform a new scope(s) of work for ASO services, and authorization to issue a competitive solicitation for those services and to award a new contract, subject to successful negotiations and determination of fair and reasonable pricing. Today's actions would also authorize the extensions of the existing primary care service contracts for one year with one option year and up to six months if needed to align with the ASO contract. Today's action would also authorize the Agency Director, Health and Human Services Agency, to apply for additional funding opportunities, if available, to support efforts to manage the day-to-day operations and administration, monitoring of contracts with private sector providers of health care and to assist with third-party billing efforts.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Equity (Health) and Community (Quality of Life) initiatives in the County of San Diego's 2022-2027 Strategic Plan as well as the regional *Live Well San Diego* vision by improving access to high-quality and efficient medical care and support services that contribute to improved physical and behavioral health.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer".

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

N/A