

**Agenda Item 12**
September 7, 2016

DATE: August 25, 2016

TO: Children and Families Commission of Orange County

FROM: Kimberly Goll, Executive Director 

ACTION: Receive report on the Intergovernmental Transfer transaction

SUMMARY:

In February 2016 the Children and Families Commission of Orange County authorized an intergovernmental transfer (IGT) transaction with CalOptima to leverage federal funding in support of two key programs and one new initiative. Implementing agreements were signed and sent to the state Department of Health Care Services (DHCS) in June. In August, notification was received from DHCS that the IGT amount for Orange County has been reduced by approximately 15 percent, due to a state calculation error. This item provides an update on the Commission IGT transaction and the implications of the reduced amount.

DISCUSSION:

The Commission's March 2016 actions approved a total of \$7.5 million in catalytic funding and fund balance reserves for an IGT transaction to support two outcomes:

1. Improve rates of prenatal care and healthy birth outcomes through expansion/sustaining Bridges Maternal Child Health Network prenatal care services.
2. Improve early identification and intervention for young children with behavioral/developmental concerns and connect children to appropriate services.

Participation in IGT is limited to CalOptima contracted providers that can document uncompensated costs from serving plan members. Based on these criteria, the Commission approved moving forward in partnership with two eligible organizations, MOMS Orange County and CHOC Children's. Funding flows from the state directly to CalOptima and subsequently to the grantee provider. Neither the principal funds that provided the basis for the federal funding, nor the match funds, return to the Commission directly.

The Commission's initial cash investment and transfer amount was reduced from \$7,522,800 to \$6,490,992. Prior estimates indicated a return to MOMS Orange County and CHOC Children's of \$3,456,178 and \$6,574,222, respectively. The revised amounts are \$2,880,000 for MOMS and \$6,073,357 for CHOC, allowing for four years of IGT-generated program funding for each program. A summary of the adjustment in the IGT revised amounts are provided in Attachment 1. The Commission has notified both MOMS Orange County and CHOC Children's. According to the state's timeline both organizations will receive payment from CalOptima in the fall of 2016.

STRATEGIC PLAN & FISCAL SUMMARY:

The services supported by the IGT transaction presented in this staff report have been reviewed in relation to the Commission's Strategic Plan and are consistent with the Healthy Children goal area. Funding for the IGT transaction will come from both the Catalytic budget and fund balance reserves.

PRIOR COMMISSION ACTIONS:

- April 2016 - Authorized catalytic funding and operating reserves to support an Intergovernmental Transfer (IGT) transaction with CalOptima; and adopted amended resolution authorizing an additional agreement with State Department of Health Care Services for the purposes of supporting the IGT transaction
- February 2016 - Adopted resolution authorizing agreements pursuant to an Intergovernmental Transfer (IGT) transaction with CalOptima

RECOMMENDED ACTION:

Receive report on the Intergovernmental Transfer transaction.

ATTACHMENT:

Updated Projections for Fiscal Year 2014-15 Rate Year Intergovernmental Transfer (IGT) Transaction with Children and Families Commission of Orange County

Contact: Iliá Rolón

Children and Families Commission of Orange County

Updated Projections for Rate Year 2014-15 IGT Transaction

Original IGT Transaction Amount		
	Original Commission Cash Contribution	IGT Return (4.8 yrs. of funding)*
CHOC Children's - Help Me Grow	2,530,800	3,374,308
CHOC Children's - Mental Health	2,400,000	3,199,914
MOMS Orange County	2,592,000	3,456,178
	7,522,800	10,030,400

Revised IGT Transaction Amount		
	Revised Commission Cash Contribution	IGT Return (4 yrs. Of funding)**
CHOC Children's - Help Me Grow	2,245,497	2,800,000
CHOC Children's - Mental Health	2,000,000	3,193,357
MOMS Orange County	2,245,496	2,880,000
	6,490,992	8,873,357

* 1 year of Commission program funding in addition to 4.8 years of funding from IGT transaction

** 1 year of Commission program funding in addition to 4 years of funding from IGT transaction