



CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2525 Grand Avenue, Long Beach, CA 90815 Telephone: 562-570-4014 FAX: 562-570-4049

January 18, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Agreement With the State Department of Health Services to Claim Reimbursement for Allowable Medi-Cal Administrative Activities (Citywide)

DISCUSSION

Since 1994, the City of Long Beach Department of Health and Human Services (DHHS) has received funding through a contract with the State of California Department of Health Services (State) for the performance of administrative activities related to the Medi-Cal program. Under the terms of the new three-year Medi-Cal administrative activities agreement, the DHHS will continue to be reimbursed for a portion of DHHS staff time to outreach and engage eligible clients in the Medi-Cal system.

The proposed agreement will allow the DHHS to continue to claim reimbursement for the provision of Medi-Cal administrative activities. The term of the agreement is July 1, 2004 through June 30, 2007.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on January 6, 2005 and by Budget Management Officer David Wodynski on January 7, 2005.

TIMING CONSIDERATIONS

The DHHS began providing services under the new agreement on July 1, 2004, but cannot recover costs from the State until the agreement is approved. Late submission is due to delays in contract processing by the State.

FISCAL IMPACT

The maximum amount of the agreement is \$1,425,000 from July 1, 2004 through June 30, 2007. The DHHS will utilize existing staff throughout the department to perform Medi-Cal administrative activities during the course of their daily duties. That portion of budgeted staff time and other resources used will be offset by this revenue source. The amount of the contract is \$475,000 per year. Currently, \$161,268 is appropriated in FY 05 and an appropriation increase of \$313,732 is included in the recommended action below. The remaining \$950,000 will be appropriated in subsequent fiscal years.

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IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Authorize the City Manager to execute all necessary documents with the State Department of Health Services to claim reimbursement for allowable Medi-Cal administrative activities in an amount not to exceed \$1,425,000 for a three-year period; and
2. Increase appropriations in the Health Fund (SR 130) and the Department of Health and Human Services (HE) by \$313,732.

Respectfully submitted,



RONALD R. ARIAS
DIRECTOR
HEALTH AND HUMAN SERVICES

APPROVED:



GERALD R. MILLER
CITY MANAGER