

Agenda Report

TO: CITY COUNCIL **DATE:** July 13, 1998
FROM: CYNTHIA J. KURTZ, ACTING CITY MANAGER
**SUBJECT: APPROVAL OF MEMORANDA OF UNDERSTANDING WITH LA
CARE HEALTH PLAN AND WITH FOUNDATION HEALTH**

RECOMMENDATION(S):

It is recommended that the City Council take the following action:

- 1) Adopt a resolution authorizing the City Manager to execute a Memorandum of Understanding (MOU) between the City of Pasadena Public Health Department and LA Care Health Plan beginning in FY 1999; and
- 2) Adopt a resolution authorizing the City Manager to execute a Memorandum of Understanding (MOU) between the City of Pasadena Public Health Department and Foundation Health beginning in FY 1999.

BACKGROUND:

The State of California has through statute, regulation and policies, established a statewide methodology for certain categories of Medi-Cal recipients to be enrolled in managed care plans for the provision of specified Medi-Cal benefits. To protect the interests of both providers and consumers in the counties where Medi-Cal managed care is being implemented, the state has mandated that Medi-Cal recipients be able to choose between either a private health plan and a quasi-public health plan. In order to implement this Medi-Cal managed care health coverage locally, the State has contracted with two health care service plans in Los Angeles County. One of the plans is a health plan locally created and designated by the County's Board of Supervisors, LA Care Health Plan, and the other is an existing health plan that was selected by the State, Foundation Health.

The State's agreement with both health care plans require that they enter into a contract with the local health departments in Los Angeles County for the provision of certain

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FY 1999 Memoranda of Understanding (LA CARE and Foundation Health)

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specified public health services. Public health activities are considered to be important components in protecting and enhancing the health of Medi-Cal beneficiaries in managed care settings. These MOUs arrange for shared and coordinated resources to be available in a variety of clinical and public health program delivery areas such as Sexually Transmitted Disease control, HIV Testing and Counseling, Tuberculosis Control, and others to promote the health of the Medi-Cal population.

Four content areas addressed in the MOUs include: (1) Pasadena Public Health Department (PPHD) responsibilities; (2) areas of shared responsibility; (3) health care service plan responsibilities; and (4) the relationship between the health care service plan and the PPHD. Details of each agency's role and the collaborative nature and intent of the relationships are discussed to assure appropriate liaison between the agency and quality of service to Medi-Cal beneficiaries.

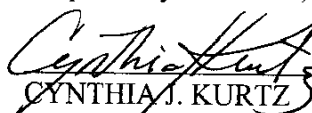
The terms of the MOUs are for an initial period of one year commencing on the date the document is signed, unless an earlier termination is requested by either party, as provided in the MOUs. Thereafter the MOUs are, without further action of the parties, automatically renewed for additional one year terms.

The MOU with each health care service plan will not effect the operation of the PPHD. All of the responsibilities to be addressed in the MOUs are to be satisfied by existing staff included in the current FY 1999 budget. The MOUs will also allow the PPHD to bill the health care service plans for public health services provided by the PPHD to health care service plan members. The projected revenue from these transactions have also been included in the FY 1999 budget.

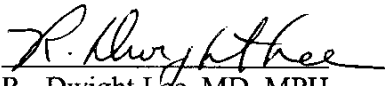
FISCAL IMPACT:

The recommended action by the City Council has no fiscal impact on the City since estimated revenues and appropriations are included in the FY 1999 adopted Health Fund budget under the Maternal and Child Health Budget Account #564000.

Respectfully submitted,


CYNTHIA J. KURTZ
Acting City Manager

Prepared and Approved by:


R. Dwight Lee, MD, MPH

Director of Public Health / Health Officer