



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
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COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
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September 30, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**MEDI-CAL CONTRACT AMENDMENT NO. 8 (All Districts) (3 Votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Chairman to sign, as a confidential document, Amendment No. 8 to the County's Medi-Cal contract with the State of California for submission to the State Director of Health Services for signature.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

In approving this action, the Board is approving a contract amendment between the County and the State of California which modifies the payment rate and makes technical changes to certain other sections of the agreement between the State of California and the Department of Health Services for the provision of inpatient hospital services under the Medi-Cal program. The California Medical Assistance Commission (CMAC) is expected to authorize this amendment at its October 21, 2004 meeting, and the amendment would be effective as of that date.

**FISCAL IMPACT/FINANCING:**

This action will implement rate changes which are not inconsistent with the Department's long term strategic financial goals. Medi-Cal inpatient rates are financed through a mix of state and federal money. No County contribution is required. Medi-Cal contract rates are confidential pursuant to Government Code Section 6254(q). Accordingly, details of the rate changes will be provided to the Board, the CAO, and such other County officials with a need to know in a confidential memorandum.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The amendment is CMAC's standard format modified specifically for the County of Los Angeles. Besides changing the rate, the amendment revises the Medi-Cal contract sections dealing with liaisons and notices.

County Counsel has reviewed and approved the contract amendment.

The amendment will be on file with DHS' Revenue Management Division and will be maintained in a confidential manner in compliance with Government Code Section 6254(q) which provides that a) contract terms may not be publicly disclosed until one year from the date of execution, and b) the portion of the contract containing rates may not be publicly disclosed until three years after the contract terms are disclosed.

**CONTRACTING PROCESS:**

CMAC is the sole State agency with authority for negotiating a contract for Medi-Cal reimbursement of inpatient services.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

This contract amendment will provide funding to help finance this fiscal years' health services.

When approved, this Department requires seven signed copies of the amendment.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:jf (2medical\medical2003forward\medcon.#8.brd.ltr)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller