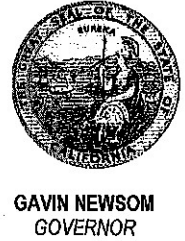




State of California—Health and Human Services Agency  
Department of Health Care Services



**SEP 24 2021**

Judson Howe, CFO  
North Coast Family  
700 River Drive  
Fort Bragg, CA 95437-5403

**NOTICE OF TENTATIVE SETTLEMENT TO RECONCILIATION REQUEST  
PROVIDER LEGAL NAME: MENDOCINO COAST HEALTH CARE DISTRICT  
DBA: NORTH COAST FAMILY  
NATIONAL PROVIDER IDENTIFIER: 1124220249  
FISCAL PERIOD ENDED: JUNE 30, 2019**

We completed the pre-audit analysis for the Rural Health Clinic (RHC) Medi-Cal Reconciliation Review Request for the above-referenced fiscal period.

The amount presented on Schedule 1 represents 100% of the tentative Medi-Cal settlement due the State in the amount of \$457,255, for the above-referenced fiscal period.

In order to prevent overpayments to the Clinic, the Department applied a percentage of cutback to reflect the recovery from prior year reviews.

This RHC Tentative Settlement to Reconciliation Request includes the:

1. Schedule 1—Tentative Settlement Summary
2. Tentative Settlement Adjustments Schedule

The Department will perform a final review of the Clinic's Medi-Cal Prospective Payment System (PPS) Reconciliation Request at a later date, which will determine the Clinic's final settlement amount.

The Department will not adjust the Clinic's interim PPS rate at this time.

The Statement of Account Status will incorporate the Medi-Cal overpayment, which may reflect other financial transactions initiated by the Department. The State's fiscal intermediary will forward the Statement of Account Status to the provider. The Statement of Account Status will include instructions regarding payment. The total of the Statement of Account Status equals the total settlement amount on Schedule 1 of this report.

Judson Howe  
Page 2

SEP 24 2021

Please contact Kanwardeep Gill, Auditor, at (916) 713-8980 or  
Kanwardeep.Gill@dhcs.ca.gov if you have any questions.



*For* Maricela Orejel  
Audit Manager  
FQHC/RHC Section—Sacramento  
Financial Audits Branch

Enclosure  
Certified

7020 1290 0001 3710 3620

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COMPUTATION OF FQHC/RHC TENTATIVE SETTLEMENT

PROVIDER LEGAL NAME: MIENDOCINO COAST HEALTH CARE DISTRICT	NATIONAL PROVIDER IDENTIFIER: 1124220249
FISCAL PERIOD: JULY 1, 2018 THROUGH JUNE 30, 2019	

PAYMENT/RECOVERY DETERMINATION

	REPORTED		
	Visits		Visits
	Period 1	Period 2	Total
1 Crossovers - Code 02	-	-	-
2 Managed Care - Code 18	2,038	5,957	7,995
3 Capitated MAP - Code 20	-	-	-
4 Total Visits	2,038	5,957	7,995

	Payments		Payments		Payments Total
	Period 1		Period 2		
<b>Medi-Cal Non-Managed Care Crossovers (Formerly Code 02):</b>					
5 Medi-Cal Fiscal Intermediary for Non-Managed Care Crossovers	\$ -	\$ -	\$ -	\$ -	\$ -
6 Medicare PPS/UPL/FFS, FFS MAP, Code 519 & Part D Totalled	\$ -	\$ -	\$ -	\$ -	\$ -
7 3rd Party Payers	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Medi-Cal Managed Care (Formerly Code 18):</b>					
8 Medi-Cal Fiscal Intermediary for Managed Care Interim Payments	\$ 359,211	\$ 1,064,858	\$ 1,424,069	\$ -	\$ 1,424,069
9 Medi-Cal Managed Care Plans - TOTAL	\$ 39,165	\$ 130,918	\$ 170,083	\$ -	\$ 170,083
10 Medicare PPS/UPL/FFS, FFS/CAP MAP, Code 519 & Part D Totalled	\$ 180,849	\$ 433,759	\$ 614,608	\$ -	\$ 614,608
11 3rd Party Payers	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Medi-Cal Non-Managed Care Crossovers with Capitated MAP (Formerly Code 20):</b>					
12 Medi-Cal Fiscal Intermediary for Non-Mgd Care Crossovers with Cap MAP	\$ -	\$ -	\$ -	\$ -	\$ -
13 Capitated Medicare Advantage Plans, Code 519 & Part D Totalled	\$ -	\$ -	\$ -	\$ -	\$ -
14 3rd Party Payers	\$ -	\$ -	\$ -	\$ -	\$ -
15 Total Payments	\$ 579,225	\$ 1,629,535	\$ 2,208,760	\$ -	\$ 2,208,760

	Reconciliation		Reconciliation		Total
	Period 1		Period 2		
16 PPS Rate	\$ 216.81	\$ 219.85	\$ -	\$ 219.85	\$ -
17 Total Visits (From Line 4)	2,038	5,957	5,957	7,995	7,995
18 PPS Amount (Line 16 x Line 17)	\$ 441,859	\$ 1,309,646	\$ 1,309,646	\$ 1,751,505	\$ 1,751,505
19 Less: Total Payments (From Line 15)	\$ 579,225	\$ 1,629,535	\$ 1,629,535	\$ 2,208,760	\$ 2,208,760
Amount Due Clinic (State)	\$ (137,366)	\$ (319,889)	\$ (319,889)	\$ (457,255)	\$ (457,255)
Tentative Settlement Payment Percentage Applied					
Tentative Settlement Due Clinic (State)					
					100%
					\$ (457,255)

\* Math Corrections

Provider Legal Name		Fiscal Period		Provider NPI		Adjustments	
MENDOCINO COAST HEALTH CARE DISTRICT		JULY 1, 2018 THROUGH JUNE 30, 2019		1124220249		2	
Adj. No.	Report References		Worksheet	Line	As Reported	Increase (Decrease)	As Adjusted
	Tentative Settlement Review	Reconciliation Request					
1	16	1	16	1	\$217.46	(\$0.65)	\$216.81
2	16	1	16	1	220.72	(0.87)	219.85
<p><b>Explanation of Audit Adjustments</b>  <b>MEMORANDUM ADJUSTMENTS</b></p> <p>16 PPS Rate (Period 1)            16 PPS Rate (Period 2)            To adjust the reported Prospective Payment System (PPS) rate to agree with the PPS rate in ACSNET.            42 CFR 413.20 and 413.24            CMS Pub. 15-1, section 2304</p>							



State of California

GAVIN NEWSOM, Governor

=====  
Department of Health Care Services  
Recovery Section, MS 4720  
P.O. Box 997425  
Sacramento, CA 95899-7425  
(279) 600-1773

February 08, 2023

MENDOCINO COAST HEALTH CARE DISTRI  
700 RIVER DR  
FORT BRAGG, CA 95437-5403

Dear MENDOCINO COAST HEALTH CARE DISTRI:

REFERENCE NUMBER : 1124220249-022  
BALANCE DUE : \$306.47

The Department of Health Care Services (DHCS) has made multiple attempts to arrange for repayment of this debt. The debt remains unpaid and is delinquent.

Prompt response will preclude possible future offsets and/or legal action against you. DHCS accepts checks, money orders, and Electronic Funds Transfers (EFT).

To make an EFT payment:

1. Visit <http://dhcs.ca.gov/ePay>.
2. Click on the EFT website link.
3. Enter the requested information including your DHCS account number V1124220249-022.

Payments by check should be made payable to:  
Department of Health Care Services  
Overpayments Section  
P.O. Box 997421 MS 4720  
Sacramento, CA 95899-7421

If you have any questions or concerns regarding this matter, please contact this office at the above phone number.

METREY KEO  
Overpayments Section

GC3090 (05/21)

15-0325

State of California

GAVIN NEWSOM, Governor

=====  
Department of Health Care Services  
Recovery Section, MS 4720  
P.O. Box 997425  
Sacramento, CA 95899-7425  
(279) 600-1773

February 08, 2023

MENDOCINO COAST HEALTH CARE DISTRI  
700 RIVER DR  
FORT BRAGG, CA 95437-5403

Dear MENDOCINO COAST HEALTH CARE DISTRI:

REFERENCE NUMBER : 1124220249-021  
BALANCE DUE : \$85,140.59

The Department of Health Care Services (DHCS) has made multiple attempts to arrange for repayment of this debt. The debt remains unpaid and is delinquent.

Prompt response will preclude possible future offsets and/or legal action against you. DHCS accepts checks, money orders, and Electronic Funds Transfers (EFT).

To make an EFT payment:

1. Visit <http://dhcs.ca.gov/ePay>.
2. Click on the EFT website link.
3. Enter the requested information including your DHCS account number V1124220249-021.

Payments by check should be made payable to:  
Department of Health Care Services  
Overpayments Section  
P.O. Box 997421 MS 4720  
Sacramento, CA 95899-7421

If you have any questions or concerns regarding this matter, please contact this office at the above phone number.

METREY KEO  
Overpayments Section

GC3090 (05/21)

15-0323

State of California

GAVIN NEWSOM, Governor

=====  
Department of Health Care Services  
Recovery Section, MS 4720  
P.O. Box 997425  
Sacramento, CA 95899-7425  
(279) 600-1773

February 08, 2023

MENDOCINO COAST HEALTH CARE DISTRI  
700 RIVER DR  
FORT BRAGG, CA 95437-5403

Dear MENDOCINO COAST HEALTH CARE DISTRI:

REFERENCE NUMBER : 1124220249-020  
BALANCE DUE : \$74,581.92

The Department of Health Care Services (DHCS) has made multiple attempts to arrange for repayment of this debt. The debt remains unpaid and is delinquent.

Prompt response will preclude possible future offsets and/or legal action against you. DHCS accepts checks, money orders, and Electronic Funds Transfers (EFT).

To make an EFT payment:

1. Visit <http://dhcs.ca.gov/ePay>.
2. Click on the EFT website link.
3. Enter the requested information including your DHCS account number V1124220249-020.

Payments by check should be made payable to:  
Department of Health Care Services  
Overpayments Section  
P.O. Box 997421 MS 4720  
Sacramento, CA 95899-7421

If you have any questions or concerns regarding this matter, please contact this office at the above phone number.

METREY KEO  
Overpayments Section

GC3090 (05/21)

15-0321

State of California

GAVIN NEWSOM, Governor

=====  
Department of Health Care Services  
Recovery Section, MS 4720  
P.O. Box 997425  
Sacramento, CA 95899-7425  
(279) 600-1773

February 08, 2023

MENDOCINO COAST HEALTH CARE DISTRI  
700 RIVER DR  
FORT BRAGG, CA 95437-5403

Dear MENDOCINO COAST HEALTH CARE DISTRI:

REF NUMBER : 1124220249-019  
BALANCE DUE: \$257,983.94

You have been notified of your debt to the Department of Health Care Services (DHCS) on several occasions. The debt remains unpaid and your account is becoming seriously delinquent.

Please submit payment for \$257,983.94 within 15 days. DHCS accepts checks, money orders, and Electronic Funds Transfers (EFT).

To make an EFT payment:

1. Visit <http://dhcs.ca.gov/ePay>.
2. Click on the EFT website link.
3. Enter the requested information including your DHCS account number V1124220249-019.

Payments by check should be made payable to:  
Department of Health Care Services  
Overpayments Section  
P.O. Box 997421 MS 4720  
Sacramento, CA 95899-7421

For additional information or to discuss a repayment agreement, please contact this office at the above phone number.

Failure to comply with this demand may result in involuntary collection actions taken against you, which could include wage garnishment.

METREY,KEO @DHCS, CA .gov  
Overpayments Section

GC3080 (05/21)

15-0319

**INTERGOVERNMENTAL AGREEMENT REGARDING  
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and the MENDOCINO COAST HEALTH CARE DISTRICT (“GOVERNMENTAL FUNDING ENTITY”) with respect to the matters set forth below.

The parties agree as follows:

**AGREEMENT**

1. Transfer of Public Funds

1.1 The GOVERNMENTAL FUNDING ENTITY agrees to make a transfer of funds to DHCS pursuant to sections 14164 and 14301.4 of the Welfare and Institutions Code. The amount transferred shall be based on the sum of the applicable rate category per member per month (“PMPM”) contribution increments multiplied by member months, as reflected in Exhibit 1. The GOVERNMENTAL FUNDING ENTITY agrees to initially transfer amounts that are calculated using the Estimated Member Months in Exhibit 1, which will be reconciled to actual enrollment for the service period of January 1, 2021 through December 31, 2021 in accordance with Sub-Section 1.3 of this Agreement. The funds transferred shall be used as described in Sub-Section 2.2 of this Agreement. The funds shall be transferred in accordance with the terms and conditions, including schedule and amount, established by DHCS.

1.2 The GOVERNMENTAL FUNDING ENTITY shall certify that the funds transferred qualify for Federal Financial Participation pursuant to 42 C.F.R. part 433, subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, Federal



money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. Impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

1.3 DHCS shall reconcile the “Estimated Member Months,” in Exhibit 1, to actual enrollment in HEALTH PLAN(S) for the service period of January 1, 2021 through December 31, 2021 using actual enrollment figures taken from DHCS records. Enrollment reconciliation will occur on an ongoing basis as updated enrollment figures become available. Actual enrollment figures will be considered final two years after December 31, 2021. If reconciliation results in an increase to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, the GOVERNMENTAL FUNDING ENTITY agrees to transfer any additional funds necessary to cover the difference. If reconciliation results in a decrease to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, DHCS agrees to return the unexpended funds to the GOVERNMENTAL FUNDING ENTITY. If DHCS and the GOVERNMENTAL FUNDING ENTITY mutually agree, amounts due to or owed by the GOVERNMENTAL FUNDING ENTITY may be offset against future transfers.

## 2. Acceptance and Use of Transferred Funds

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to this Agreement as IGTs, to use for the purpose set forth in Sub-Section 2.2.

2.2 The funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to Section 1 and Exhibit 1 of this Agreement shall be used to fund the non-federal share

of Medi-Cal Managed Care actuarially sound capitation rates described in section 14301.4(b)(4) of the Welfare and Institutions Code as reflected in the contribution PMPM and rate categories reflected in Exhibit 1. The funds transferred shall be paid, together with the related Federal Financial Participation, by DHCS to HEALTH PLAN(S) as part of HEALTH PLAN(S)' capitation rates for the service period of January 1, 2021 through December 31, 2021, in accordance with section 14301.4 of the Welfare and Institutions Code.

2.3 DHCS shall seek Federal Financial Participation for the capitation rates specified in Sub-Section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge that DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services.

2.5 DHCS shall not direct HEALTH PLAN(S)' expenditure of the payments received pursuant to Sub-Section 2.2.

### 3. Assessment Fee

3.1 DHCS shall exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20 percent fee related to the amounts transferred pursuant to Section 1 of this Agreement, except as provided in Sub-Section 3.2. GOVERNMENTAL FUNDING ENTITY agrees to pay the full amount of that assessment in addition to the funds transferred pursuant to Section 1 of this Agreement.

3.2 The 20-percent assessment fee shall not be applied to any portion of funds transferred pursuant to Section 1 that are exempt in accordance with sections 14301.4(d) or 14301.5(b)(4) of the Welfare and Institutions Code. DHCS shall have sole discretion to determine the amount of the funds transferred pursuant to Section 1 that will not be subject to a

20 percent fee. DHCS has determined that \$0.00 of the transfer amounts will not be assessed a 20 percent fee, subject to Sub-Section 3.3.

3.3 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to DHCS simultaneously with the transfer amounts made under Section 1 of this Agreement. If at the time of the reconciliation performed pursuant to Sub-Section 1.3 of this Agreement, there is a change in the amount transferred that is subject to the 20-percent assessment in accordance with Sub-Section 3.1, then a proportional adjustment to the assessment fee will be made.

4. Amendments

4.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

4.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in Section 2 of this Agreement.

5. Notices. Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall either be sent via secure email or submitted in writing to the other party personally or by United States First Class, Certified or Registered mail with postage prepaid, addressed to the other party at the address as set forth below:

\* Any required signature(s) on any documents must be in compliance with California Government Code section 16.5 and any other applicable state or federal regulations.



To the GOVERNMENTAL FUNDING ENTITY:

John Redding, Treasurer  
Mendocino Coast Health Care District  
755 River Drive  
Fort Bragg, CA 95437  
[jredding@mcdh.org](mailto:jredding@mcdh.org)

With copies to:

Norman de Vall, Interim Chair  
Mendocino Coast Health Care District  
755 River Drive  
Fort Bragg, CA 95437  
[ndevall@mcdh.org](mailto:ndevall@mcdh.org)

To DHCS:

Vivian Beeck  
California Department of Health Care Services  
Capitated Rates Development Division  
1501 Capitol Ave., MS 4413  
Sacramento, CA 95814  
[Vivian.Beeck@dhcs.ca.gov](mailto:Vivian.Beeck@dhcs.ca.gov)

6. Other Provisions

6.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal payments described in Sub-Section 2.2 of this Agreement that are funded by the GOVERNMENTAL FUNDING ENTITY, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the GOVERNMENTAL FUNDING ENTITY and DHCS relating to the subject matter of this Agreement. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-

Cal program. This Agreement shall not modify the terms of any other agreement, existing or entered into in the future, between the parties.

6.2 The non-enforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

6.3 Sections 2 and 3 of this Agreement shall survive the expiration or termination of this Agreement.

6.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals. Accordingly, there shall be no third party beneficiary of this Agreement.

6.5 Time is of the essence in this Agreement.

6.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

7. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under Federal and State law and regulations.

8. Approval. This Agreement is of no force and effect until signed by the parties.

9. Term. This Agreement shall be effective as of January 1, 2021 and shall expire as of June 30, 2024 unless terminated earlier by mutual agreement of the parties.

**SIGNATURES**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

THE MENDOCINO COAST HEALTH CARE DISTRICT:

By:  \_\_\_\_\_  
51AA2BEE5431437...

Date: October 6, 2022

John Redding, Treasurer of the Board

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By:  \_\_\_\_\_  
EAB0EBEBABFB4DF...

Date: December 11, 2022

Rafael Davtian, Division Chief, Capitated Rates Development Division

Exhibit 1

<b>Health Plan:</b>	<b>Partnership Health Plan of California</b>		
<b>Rating Region:</b>	<b>All Rating Regions</b>		
<b>Service Period</b>	<b>1/2021 - 12/2021</b>		
		Estimated Member	Estimated
Rate Category	Contribution PMPM	Months*	Contribution (Non-Federal Share)
Child - non MCHIP	\$ 0.06	1,835,590	\$ 110,135
Child - MCHIP	\$ 0.04	817,276	\$ 32,691
Adult - non MCHIP	\$ 0.18	1,045,291	\$ 188,152
Adult - MCHIP	\$ 0.13	28,224	\$ 3,669
ACA Optional Expansion	\$ 0.04	2,202,804	\$ 88,112
SPD	\$ 0.52	490,034	\$ 254,818
SPD/Full-Dual	\$ 0.12	836,710	\$ 100,405
LTC	\$ 2.34	1,763	\$ 4,125
LTC/Full-Dual	\$ 1.47	37,393	\$ 54,968
OBRA	\$ 0.31	1,738	\$ 539
WCM	\$ 0.90	83,465	\$ 75,119
Estimated Total		7,380,288	\$ 912,733

\* Note that Estimated Member Months are subject to variation, and the actual total Contribution (Non-Federal Share) may differ from the amount listed here.

Exhibit 1 - Payment Request Invoice

Mendocino Coast Health Care District  
 Agreement 19-96438

Time Period	Health Plan	County	Category of Aid	Contribution PMPM	Est. MM for BP 7/2020-12/2020 as of 12/2022	Estimated Contribution (Non-Federal Share)
					Final MM for BP 7/2019 - 6/2020 as of 12/2022	
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Child - non MCHIP	\$ 0.03	491,052	\$ 14,732
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Child - MCHIP	\$ 0.01	207,548	\$ 2,075
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Adult - non MCHIP	\$ 0.10	259,994	\$ 25,999
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Adult - MCHIP	\$ 0.04	5,454	\$ 218
7/2019 - 12/2019	Partnership Health Plan of California	Regional	ACA Optional Expansion	\$ 0.01	559,225	\$ 5,592
7/2019 - 12/2019	Partnership Health Plan of California	Regional	SPD	\$ 0.26	139,677	\$ 36,316
7/2019 - 12/2019	Partnership Health Plan of California	Regional	SPD/Full-Dual	\$ 0.05	234,812	\$ 11,741
7/2019 - 12/2019	Partnership Health Plan of California	Regional	LTC (non-dual)	\$ 0.90	368	\$ 331
7/2019 - 12/2019	Partnership Health Plan of California	Regional	LTC/Full-Dual	\$ 0.55	11,044	\$ 6,074
7/2019 - 12/2019	Partnership Health Plan of California	Regional	OBRA	\$ -	-	\$ -
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Whole Child Model	\$ 0.48	26,487	\$ 12,714
7/2019 - 12/2019	Partnership Health Plan of California	Regional	BCCTP	\$ 0.45	924	\$ 416
<b>7/2019 - 12/2019</b>	<b>Partnership Health Plan of California</b>	<b>Regional</b>	<b>Est. FE Total</b>		<b>1,936,585</b>	<b>\$ 116,208</b>
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Child - non MCHIP	\$ 0.03	486,994	\$ 14,610
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Child - MCHIP	\$ 0.01	205,764	\$ 2,058
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Adult - non MCHIP	\$ 0.09	259,058	\$ 23,315
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Adult - MCHIP	\$ 0.04	5,214	\$ 209
1/2020 - 6/2020	Partnership Health Plan of California	Regional	ACA Optional Expansion	\$ 0.02	550,838	\$ 11,013
1/2020 - 6/2020	Partnership Health Plan of California	Regional	SPD	\$ 0.22	138,323	\$ 30,431
1/2020 - 6/2020	Partnership Health Plan of California	Regional	SPD/Full-Dual	\$ 0.04	233,211	\$ 9,328
1/2020 - 6/2020	Partnership Health Plan of California	Regional	LTC (non-dual)	\$ 0.81	392	\$ 318
1/2020 - 6/2020	Partnership Health Plan of California	Regional	LTC/Full-Dual	\$ 0.50	10,901	\$ 5,451
1/2020 - 6/2020	Partnership Health Plan of California	Regional	OBRA	\$ -	-	\$ -
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Whole Child Model	\$ 0.45	26,252	\$ 11,813
1/2020 - 6/2020	Partnership Health Plan of California	Regional	BCCTP	\$ 0.44	843	\$ 371
<b>1/2020 - 6/2020</b>	<b>Partnership Health Plan of California</b>	<b>Regional</b>	<b>Est. FE Total</b>		<b>1,917,590</b>	<b>\$ 108,917</b>
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Child - non MCHIP	\$ 0.03	511,410	\$ 15,342
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Child - MCHIP	\$ 0.02	204,967	\$ 4,099
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Adult - non MCHIP	\$ 0.09	282,391	\$ 25,415
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Adult - MCHIP	\$ 0.05	7,156	\$ 358
7/2020 - 12/2020	Partnership Health Plan of California	Regional	ACA Optional Expansion	\$ 0.01	599,569	\$ 5,996
7/2020 - 12/2020	Partnership Health Plan of California	Regional	SPD	\$ 0.24	136,365	\$ 32,728
7/2020 - 12/2020	Partnership Health Plan of California	Regional	SPD/Full-Dual	\$ 0.04	240,485	\$ 9,619
7/2020 - 12/2020	Partnership Health Plan of California	Regional	LTC (non-dual)	\$ 0.83	351	\$ 291
7/2020 - 12/2020	Partnership Health Plan of California	Regional	LTC/Full-Dual	\$ 0.52	10,492	\$ 5,456
7/2020 - 12/2020	Partnership Health Plan of California	Regional	OBRA	\$ -	-	\$ -
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Whole Child Model	\$ 0.48	27,208	\$ 13,060
7/2020 - 12/2020	Partnership Health Plan of California	Regional	BCCTP	\$ 0.44	859	\$ 378
<b>7/2020 - 12/2020</b>	<b>Partnership Health Plan of California</b>	<b>Regional</b>	<b>Est. FE Total</b>		<b>2,021,253</b>	<b>\$ 112,742</b>

Total Bridge Period (July 2019 - December 2020) Section 1 Amount	\$	337,867
<u>Bridge Period July 2019 - December 2020) Section 3 Amount under the Agreement:</u>		
Total Bridge Period (July 2019-December 2020) Section 1 Amount (above)	\$	337,867
Less amount not subject to fee (Section 3.2)	\$	-
Basis for 20% Assessment Fee	\$	337,867
20% Assessment Fee (Basis * 20%)	\$	67,573
Total Bridge Period Amount (July 2019 - December 2020) as of 12/2022 Estimated, and Final Member Months	\$	405,440
Less: Prior Payment Transfers for July 2019 - June 2020 letter sent (2/18/2021)	\$	270,054
Less: Prior Payment Transfers for July 2019 - June 2020 letter sent (8/19/2021)	\$	135,271
Total Payment Transfer Amount	\$	115

Exhibit 1 - Payment Request Invoice

Mendocino Coast Health Care District  
 Agreement 21-10228

January 2021 -December 2021 Section 1 Amount under the Agreement:

Health Plan	County	Category of Aid	Contribution PMPM	Estimated Member Months*	Estimated Contribution (Non-Federal Share)
All Partnership	Regional	Child - non MCHIP	\$ 0.06	1,835,590	\$ 110,135
All Partnership	Regional	Child - MCHIP	\$ 0.04	817,276	\$ 32,691
All Partnership	Regional	Adult - non MCHIP	\$ 0.18	1,045,291	\$ 188,152
All Partnership	Regional	Adult - MCHIP	\$ 0.13	28,224	\$ 3,669
All Partnership	Regional	ACA Optional Expansion	\$ 0.04	2,202,804	\$ 88,112
All Partnership	Regional	SPD	\$ 0.52	490,034	\$ 254,818
All Partnership	Regional	SPD/Full-Dual	\$ 0.12	836,710	\$ 100,405
All Partnership	Regional	LTC (non-dual)	\$ 2.34	1,763	\$ 4,125
All Partnership	Regional	LTC/Full-Dual	\$ 1.47	37,393	\$ 54,968
All Partnership	Regional	OBRA	\$ 0.31	1,738	\$ 539
All Partnership	Regional	Whole Child Model	\$ 0.90	83,465	\$ 75,119
<b>All Partnership</b>	<b>Regional</b>	<b>Est. FE Total</b>		<b>7,380,288</b>	<b>\$ 912,733</b>

Total CY 2021 (January 2021 - December 2021) Section 1 Amount \$ 912,733

CY 2021 (January 2021 - December 2021) Section 3 Amount under the Agreement:

Total 2021 (January 2021-December 2021) Section 1 Amount (above)	\$	912,733	
Less amount not subject to fee (Section 3.2)	\$	-	
Basis for 20% Assessment Fee	\$	912,733	
20% Assessment Fee (Basis * 20%)	\$		182,547
Total CY 2021 (January 2021 - December 2021) as of 12/2022 Estimated Member Months	\$		1,095,280
Add: Outstanding balance from BP 7/2019 - 12/2020	\$		115
<b>Total Payment Transfer Amount</b>	<b>\$</b>		<b>1,095,395</b>

## MCHCD Tentative Settlement FY2019

Jade Tippett <jtippett@mcdh.org>

Thu 3/9/2023 4:35 PM

To: Kristi.Lloyd@dhcs.ca.gov <Kristi.Lloyd@dhcs.ca.gov>

Cc: Metrey.Keo@dhcs.ca.gov <Metrey.Keo@dhcs.ca.gov>;kelly@hohenbrink.net <kelly@hohenbrink.net>;Lee Finney <lfinney@mcdh.org>

Kristi,

Thank you for returning my call this afternoon. And thank you for reaching out to the Recovery Section. Metrey Keo called me and we got to talk about these letters.

The situation, as I think I described it to you, is that Mendocino Coast Health Care District operated Mendocino Coast Hospital up until July 1, 2020, at which point, the hospital and all health care operations were leased to Adventist Health. The lease with Adventist Health specifies that the Accounts Receivable and Payable incurred prior to that July 1, 2020, takeover date remain with the District, rather than being transferred to Adventist Health.

It appears that the letter announcing the "Tentative settlement to Reconciliation Request," dated September 24, 2021, was directed to Judson Howe, CFO of North Coast Family [Health Clinic] operation. Judson Howe is and was an Adventist Health employee and was not associated with the District. Apparently, the letter never made it to the District for the District to appoint someone to review and try to negotiate down these alleged overpayments.

My request to Metrey Keo and to you is that the collection action be placed in abeyance so that the District can hire someone (Mr. Hohenbrink?) to review the charge-backs and negotiate any possible reductions.

Please let me know whether this is possible. I would like to get this resolved as soon as possible as this is a significant weight on the District finances at this time.

Thank you again,

--j

Jade Tippett

Treasurer

Mendocino Coast Health Care District Board

<https://mchcd.org/>

jtippett@mcdh.org

Mobile: 707-489-4986

From: Lloyd, Kristi@DHCS <Kristi.Lloyd@dhcs.ca.gov>

To: petrakassociates@aol.com <petrakassociates@aol.com>

Cc: Nguyen, Ngoc@DHCS <Ngoc.Nguyen@dhcs.ca.gov>

Sent: Wed, Mar 8, 2023 10:14 am

Subject: RE: [External]Need your advice and direction

Good Morning,

I heard back from TPLRD. So all the amounts are in reference to the TRA for FYE 06/30/2019.

1. AR 6042130745
  - a. Original amount: \$308,452.00
  - b. FYE 6/30/2019
  - c. FAB2021-7668
  - d. Current balance: \$259,398.53
  - e. DHCS reference number: 1124220249-019
2. AR 6042130746
  - a. Original amount: \$69,350.00
  - b. FYE 6/30/2019
  - c. FAB2021-7669
  - d. Current balance: \$74,986.46
  - e. DHCS reference number: 1124220249-020
3. AR 6042130747
  - a. Original amount: \$79,168.00
  - b. FYE 6/30/2019
  - c. FAB2021-7670
  - d. Current balance: \$85,602.40
  - e. DHCS reference number: 1124220249-021
4. AR 6042130748
  - a. Original amount: \$285.00
  - b. FYE 6/30/2019
  - c. FAB2021-7671
  - d. Current balance: \$308.13
  - e. DHCS reference number: 1124220249-022

***Kristi Lloyd***

*Staff Services Manager 1, Unit 1*

Cost Report Tracking Section

Financial Review Division

Audits & Investigations

California Department of Health Care Services (DHCS)

Phone: (916)713-8668



Jade Tippett

Treasurer

Mendocino Coast Health Care District Board

<https://mchcd.org/>

[jtippett@mcdh.org](mailto:jtippett@mcdh.org)

Mobile: 707-489-4986




# TRANSFER OF BUSINESS OPERATIONS AGREEMENT

3.1.1 Assumed Contracts. All liabilities and obligations of District arising on or after the Closing Date under any Assumed Contract other than liabilities or obligations arising in connection with the breach of any such arrangement on or prior to the Closing Date; and

3.1.2 Post-Closing Date Liabilities. All liabilities and obligations of District arising on or after the Closing Date under any Assumed Contract other than liabilities or obligations arising in connection with the breach of any such arrangement on or prior to the Closing Date; and

3.1.3 Government Healthcare Program and Related Participation Agreements. Subject to Section 3.2.5, all obligations and liabilities of District related to the operations of the Hospital and Ancillary District Operations on or after the Closing Date under Government Healthcare Programs and related Participation Agreements that AH Mendocino agrees to take assignment of, but only to the extent any such program may require assumption of District's obligations and liabilities as a condition of participation or as otherwise required by any such program for approval of Hospital's change in ownership from District to AH Mendocino.




3.2 Excluded Liabilities. Notwithstanding any other provision of this Agreement, AH Mendocino shall not assume, or otherwise be responsible for, any liabilities or obligations of District, whether actual or contingent, matured or unmatured, liquidated or unliquidated, or known or unknown, and not expressly assumed hereunder as Assumed Liabilities or otherwise agreed to in writing by AH Mendocino, including, without limitation, the following (collectively, the "Excluded Liabilities"):

3.2.1 Professional and Comprehensive General Liability Claims. Professional liability or general liability that relates to incidents, actions or omissions occurring prior to the Closing Date with respect to the Hospital and the Ancillary District Operations.

3.2.2 Medical Staff Claims. Professional, general, or directors and officers liability claims that relate to incidents, actions or omissions of the medical staff or governing body prior to the Closing Date.

3.2.3 Employment Liabilities. Other than Transition Liabilities, any liability relating to, resulting from, or arising out of (and whether or not such liabilities arise prior to, on or following the Transition Date) (i) District's actual or prospective employment or engagement, retention and/or termination of any current or former employee or service provider of District or any affiliate of District (including liabilities for compensation, benefits, accrued paid time off or liabilities with respect to a claim of an unfair labor practice or under any employment Law or regulation), (ii) any District Employee Benefit Plan (including, without limitation, any liability to make any payment or payments to any third party as a result of the transactions contemplated by this Agreement or worker's compensation claims), and (iii) due to District's, or an affiliate of District's, status as an ERISA Affiliate of any other entity.

3.2.4 Tort and Contract Claims. Any other claim or liability (including litigation identified in Schedule 3.2.4), whether in contract or tort, which arises from the conduct of District or in the operation of the Hospital and the Ancillary District Operations prior to the Closing Date.



3.2.5 Liabilities under Laws and Government Healthcare Programs. Any debts, obligations or liabilities of District related to the operations of the Hospital and Ancillary District Operations prior to the Closing Date (i) under applicable Laws, including Healthcare Laws (whether known or unknown to District as of the Closing Date, fixed, absolute, accrued, contingent or otherwise); (ii) in connection with the Government Healthcare Programs and related Participation Agreements as held by District prior to the Closing Date (subject to Section 3.1.3), specifically any Medicare, TRICARE and any Medi-Cal liabilities, including, but not limited to, retroactive payment adjustments, refunds or overpayments, arising from District's acts or omissions prior to the Closing Date; or (iii) otherwise in connection with any other Government Entity arising from District's acts or omissions prior to the Closing Date, and (iv) including those set forth on Schedule 3.2.5.

3.2.6 District Bonds. Any and all obligations or liabilities of District relating to the District Bonds, except as expressly agreed upon in writing by District, AH Mendocino and Stone Point Health.

3.2.7 Other Claims. Any other debts, obligations or liabilities of District that relate to incidents, actions or omissions of District or District's directors, officers, employees, contractors, agents or representatives occurring prior to the Closing Date that is not expressly assumed by AH Mendocino under the terms of this Agreement.

#### ARTICLE 4.

#### TRANSFER OF OTHER BUSINESS OPERATIONS

4.1 Employment Transition. It is the intent of the Parties to create an orderly employment transition of District's employees from District to AH Mendocino. The Parties recognize the inherent disruption this may cause the employees and have agreed on the following process with the following terms in order to minimize this disruption.

4.1.1 Termination of Employees. District shall terminate the employment of District Employees effective as of the end of the day immediately following the Closing Date or such later date mutually agreed in writing between the Parties (the "**Transition Date**" and the period between the Closing Date and the Transition Date, if any, the "**Transition Period**"). Subject to this Section 4 and the terms of any collective bargaining agreement, District shall terminate the active participation of District's Employees in the Mendocino Coast District Hospital 403(b) Plan effective as of the end of the day immediately prior to the Transition Date, and all other District Employee Benefit Plans covering such employees shall be terminated by District on a date as determined by AH Mendocino in its sole discretion, provided that AH Mendocino provides District at least thirty (30) days' prior notice of such determination. District shall cause each District Employee Benefit Plan to comply with all applicable Laws and the terms and conditions of such District Employee Benefit Plans in connection with such termination of District's Employees.

4.1.2 WARN Notices. District shall take any and all action which may be necessary to comply with any WARN Act (as defined in Section 4.1.4) obligations as a result of the transactions contemplated by this Agreement.



MENDOCINO COAST HEALTH 1124220249

Rate Period: Monthly

Nominal Annual Rate: 0.000 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1	Loan	11/03/2021	457,255.00	1	
2	Rate Change	01/04/2022	Rate: 7.000 %	Rate Period: Monthly	
3	Payment	01/31/2022	199.76	1	
4	Payment	02/14/2022	12,981.65	1	
5	Payment	02/22/2022	12,582.13	1	
6	Payment	03/07/2022	43,262.67	1	
7	Payment	03/14/2022	260.61	1	
8	Payment	04/25/2022	40.93	1	
9	Payment	05/02/2022	37.26	1	
10	Payment	04/15/2023	36,446.95	12 Monthly	03/15/2024

AMORTIZATION SCHEDULE - U.S. Rule (no compounding)

	Date	Payment	Interest Accrued	Interest Paid	Principal Paid	Interest	Principal	Balance Due	Total
Loan	11/03/2021		0.00	0.00	0.00	0.00	457,255.00	457,255.00	
2021 Totals		0.00	0.00	0.00	0.00				
Rate	01/04/2022		0.00	0.00	0.00	0.00	457,255.00	457,255.00	
	01/04/2022	Rate:	7.000 %	Rate Period:	Monthly				
1	01/31/2022	199.76	2,367.70	199.76	0.00	2,167.94	457,255.00	459,422.94	
2	02/14/2022	12,981.65	1,227.70	3,395.64	9,586.01	0.00	447,668.99	447,668.99	
3	02/22/2022	12,582.13	686.83	686.83	11,895.30	0.00	435,773.69	435,773.69	
4	03/07/2022	43,262.67	1,086.45	1,086.45	42,176.22	0.00	393,597.47	393,597.47	
5	03/14/2022	260.61	528.39	260.61	0.00	267.78	393,597.47	393,865.25	
6	04/25/2022	40.93	3,126.31	40.93	0.00	3,353.16	393,597.47	396,950.63	
7	05/02/2022	37.26	528.39	37.26	0.00	3,844.29	393,597.47	397,441.76	
2022 Totals		69,365.01	9,551.77	5,707.48	63,657.53				
8	04/15/2023	36,446.95	26,237.14	30,081.43	6,365.52	0.00	387,231.95	387,231.95	
9	05/15/2023	36,446.95	2,258.85	2,258.85	34,188.10	0.00	353,043.85	353,043.85	
10	06/15/2023	36,446.95	2,059.42	2,059.42	34,387.53	0.00	318,656.32	318,656.32	
11	07/15/2023	36,446.95	1,858.83	1,858.83	34,588.12	0.00	284,068.20	284,068.20	

12	08/15/2023	36,446.95	1,657.06	1,657.06	34,789.89	0.00	249,278.31	249,278.31
13	09/15/2023	36,446.95	1,454.12	1,454.12	34,992.83	0.00	214,285.48	214,285.48
14	10/15/2023	36,446.95	1,250.00	1,250.00	35,196.95	0.00	179,088.53	179,088.53
15	11/15/2023	36,446.95	1,044.68	1,044.68	35,402.27	0.00	143,686.26	143,686.26
16	12/15/2023	36,446.95	838.17	838.17	35,608.78	0.00	108,077.48	108,077.48
	2023 Totals	328,022.55	38,658.27	42,502.56	285,519.99			
17	01/15/2024	36,446.95	630.45	630.45	35,816.50	0.00	72,260.98	72,260.98
18	02/15/2024	36,446.95	421.52	421.52	36,025.43	0.00	36,235.55	36,235.55
19	03/15/2024	36,446.95	211.40	211.40	36,235.55	0.00	0.00	0.00
	2024 Totals	109,340.85	1,263.37	1,263.37	108,077.48			
	Grand Totals	506,728.41	49,473.41	49,473.41	457,255.00			

Last interest amount increased by 0.03 due to rounding.


## Mendocino Coast Health Tentative Settlement FY2019

Keo, Metrey@DHCS <Metrey.Keo@dhcs.ca.gov>

Fri 3/10/2023 4:30 PM

To: Jade Tippett <jtippett@mcdh.org>

Cc: Lloyd, Kristi@DHCS <Kristi.Lloyd@dhcs.ca.gov>; Rozanski, Laura@DHCS <Laura.Rozanski@dhcs.ca.gov>

 1 attachments (96 KB)

MENDOCINO COAST HEALTH 1124220249 FYE 2019.pdf;

Hello Mr. Tippett,

We will proceed with your request for a 30-day pause on collection efforts as you work with Kristi discussing details of the audits. Attached is a 12-month repay option starting 4/10/2023. The ARs under review have been established on 11/03/2021 and has been accruing interest since 01/04/2022 and will continue to accrue interest during your audit review. Please note that the payments listed on the attached plan were withholds that were processed on those dates. I appreciate you keeping me informed while Kristi is assisting you with further details.

Thank you,

**Metrey Keo**

Associate Governmental Program Analyst

Department of Health Care Services

Third Party Liability and Recovery Division

Overpayments Unit

Office: (279) 600-1773

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