



# Revision to ASR and/or Attachments

**Date:** July 20, 2022  
**To:** Clerk of the Board of Supervisors  
**CC:** County Executive Office *Frank Kim*  
**From:** Clayton Chau, Agency Director, Health Care Agency *Clayton Chau MD*  
**Re:** ASR Control #: 22-000427, Meeting Date 8/9/22, Item No. # 11  
**Subject:** Amendments to CalOptima Ordinance

Digitally signed by Frank Kim  
DN: cn=Frank Kim, o=County of Orange,  
ou=CEO, email=frank.kim@ocgov.com,  
c=CA  
Date: 2022.07.20 11:42:30 -0700

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**Explanation:**

The Health Care Agency would like to replace Attachment B

Revised Recommended Action(s)

Make modifications to the:

Subject     Background Information     Summary     Financial Impact

Revised Attachments (attach revised attachment(s) and redlined copy(s))

Attachment B - Current Version of Orange County Codified Ordinance, Section 4-11-2-2

ORDINANCE NO. 22-\_\_\_

AN ORDINANCE OF THE COUNTY OF ORANGE, CALIFORNIA  
AMENDING SECTIONS 4-11-2 OF THE CODIFIED ORDINANCES OF THE  
COUNTY OF ORANGE REGARDING THE ORANGE COUNTY HEALTH  
AUTHORITY

The Board of Supervisors of the County of Orange, California ordains as follows:

SECTION 1. Section 4-11-12 of Article 1 of Division 11 of Title 4 of the Codified Ordinances of the County of Orange is hereby amended to read as follows:

Sec. 4-11-2. - Purpose.

(a) The purpose of the Health Authority is to negotiate exclusive contracts specified in Welfare and Institutions Code section 14087.5 with the California Department of Health Care Services and to arrange for the provision of health care services provided pursuant to chapter 7 of part 3 of division 9 of the Welfare and Institutions Code.

(b) The Health Authority shall design and operate a program that:

(1) Incorporates managed care concepts; gives high priority to prevention, education and early intervention services; and improves access to primary care and related specialty and ancillary services for enrolled recipients.

(2) Includes mechanisms for assuring that the program is culturally appropriate and linguistically competent, provides for continuity of care and geographic access to health care services, and meets appropriate quality of care standards.

(3) Recognizes the importance of institutions providing medical, nursing and allied health education.

(4) Provides a system for enrolled recipients to select their primary care provider.

(5) Includes special care management components and a system of assignment to such components assuring that the health care needs of enrolled recipients with special requirements are met.

(6) Incorporates a plan of service delivery and implements reimbursement mechanisms which will assure the long-term viability of a locally operated Medi-Cal managed care system.

(7) Implements a financial plan which includes the creation of a prudent reserve within three (3) years of commencing operation, and which provides that if additional surplus funds accrue, such funds shall be used to expand access, improve benefits and/or augment provider reimbursement.

(8) Ensures that all program obligations, statutory, contractual or otherwise, shall be obligations of the program and shall not be the obligations of the County of Orange.

(c) The Health Authority shall have the power to contract with providers for services, including, but not limited to, contracts where services are provided on a capitation and other risk-sharing basis. The Health Authority may contract with public and private insurers, purchasers of health insurance, and fiscal intermediaries to administer its health care program.

(d) After commencement of operations of the Health Authority finance program for Medi-Cal recipients, the Health Authority shall design and implement a plan through separate contracts to include within the program it administers those eligible indigent persons for whom the County of Orange is responsible under part 5 (commencing with section 17000) of division 9 of the Welfare and Institutions Code. Unless otherwise provided by the Health Authority, providers contracting with the Health Authority shall serve all CalOptima eligible populations.

(e) The Health Authority shall have the power to contract with the California Managed Risk Medical Insurance Board, or other state approved Board as a participating health plan under California's Healthy Families Plan (part 6.2 of division 2 of the Insurance Code, commencing with section 12693).

(f) The Health Authority shall have the power to contract with the Centers for Medicare & Medicaid Services, or other applicable federal or state approved organization, and to execute such other agreements and documents to effectuate health care delivery systems for the following persons:

(1) Persons who are eligible to receive medical benefits under both Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) and Title 19 of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(2) Persons who are eligible to receive medical benefits under Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.).

(3) Other individuals or groups in the service area, including, but not limited to, public agencies, private businesses, and uninsured or indigent persons. The Health Authority shall not use any payment or reserve from the Medi-Cal program for purposes of this subparagraph.

(g) The Health Authority shall have the power to enter into contracts for provision of health care services to individuals in the service area who are eligible to receive medical benefit under any publicly supported program, such as Medi-Cal and Healthy Families, if the Health Authority and participating providers acting pursuant to subcontracts with the Health Authority agree to hold harmless the beneficiaries of the publicly supported programs if the contract between the sponsoring government agency and the Health Authority does not ensure sufficient funding to cover program costs. The Health Authority shall not use any payments or reserve from the Medi-Cal program for this purpose.

(h) The Health Authority shall have the power to participate in the California Health Benefit Exchange (commonly known as Covered California) as a health care service plan in accordance with Title 22 of the California Government Code (commencing with Section 100500) and Title 10 of the California Code of Regulations. The Health Authority shall have the power to participate in any other publicly supported health care program that the Health Authority is permitted to participate in under state and federal law that are intended to assist low income or indigent residents in obtaining healthcare. Nothing in this subsection (h) shall be construed to limit the power of the Health Authority to enter into contracts for the programs described in subsections (a) through (g) of this section. Nothing in this subsection (h) shall limit the Health Authority from coordinating the referral of Orange County residents who have applied to a Health Benefit Exchange and are eligible for enrollment in the Medi-Cal, Healthy Families or other similar programs authorized by state or federal law for low income or indigent persons offered by the Health Authority.

(Ord. No. 3896, § 1, 8-10-93; Ord. No. 98-10, § 1, 7-21-98; Ord. No. 00-8, § 1, 8-1-00; Ord. No. 05-008, § 1, 5-24-05; Ord. No. 06-012, § 1, 12-5-06; Ord. No. 09-001, 1-13-09; Ord. No. 11-013, 5-3-11)