

ORANGE COUNTY, CALIFORNIA, CODE OF ORDINANCES
TITLE 4 - HEALTH SANITATION AND ANIMAL REGULATIONS
Division 11 ORANGE COUNTY HEALTH AUTHORITY

ARTICLE 1. GENERAL PROVISIONS

Sec. 4-11-2. - Purpose.

(a) The purpose of the Health Authority is to negotiate exclusive contracts with the California Department of Health Care Services and to arrange for the provision of health care services to qualifying individuals who lack sufficient annual income to meet the cost of healthcare, and whose other assets are so limited that their application toward the cost of health care would jeopardize the person's or family's future minimum self-maintenance and security, pursuant to chapter 7 of part 3 of division 9 of the Welfare and Institutions code, and to participate in any other publicly supported health care program 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. It is not intended that the Health Authority compete with private sector health plans, individually or through joint ventures, to offer insurance directly to individual or group private payers procuring their coverage in the commercial, non-governmental health care market.

(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.

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(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 persons who are eligible to receive medical benefits:

(1) 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) Under Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.); and

(3) As otherwise permitted by Welfare and Institutions Code section 14087.54.

(g) The Health Authority shall have the power to contract to provide a health care delivery system for the benefit of Medi-Cal eligible, Healthy Families eligible or other low income or indigent people in the County of Orange.

(h) The Health Authority shall not have the power to offer a health insurance product in competition with private managed care organizations or private insurance plans in any Health Insurance Exchange created pursuant to the provisions of California Government Code Sections 100500-100521 or similar statutes that may be enacted, unless that product is intended to serve

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Medi-Cal eligible, Healthy Families eligible or other low income or indigent persons 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 Insurance 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)