



Office of Supervisor Janet Nguyen

MEMORANDUM

October 29, 2025

**TO:** Robin Stieler, Clerk of the Board  
**FROM:** Supervisor Janet Nguyen, First District  
**SUBJECT:** Supplemental Item for the November 4, 2025 Board of Supervisor Meeting

5910

Supervisor Janet Nguyen requests that a supplemental item be placed on the November 4, 2025, Board meeting agenda:

Consider First Reading of an “Ordinance to amend Sections 4-11-2, 4-11-7, and 4-11-16 of the Codified Ordinances of the County of Orange, regarding Contracting by the Orange County Health Authority” and give related direction.

**Recommended Action Items:**

1. Read the title of the Ordinance.
2. Order that further reading of the Ordinance be waived.
3. Consider the matter.
4. Direct that the Ordinance be placed on the agenda of the next regularly scheduled Board meeting for adoption.
5. At the next regularly scheduled meeting, consider the matter and adopt the Ordinance.

2025 OCT 29 AM 11:54  
RECEIVED  
CLERK OF THE BOARD  
COUNTY OF ORANGE  
BOARD OF SUPERVISORS

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE COUNTY OF ORANGE, CALIFORNIA,  
AMENDING SECTIONS 4-11-2, 4-11-7, AND 4-11-16 OF THE  
CODIFIED ORDINANCES OF THE COUNTY OF ORANGE,  
REGARDING CONTRACTING BY THE ORANGE COUNTY  
HEALTH AUTHORITY

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

SECTION 1. Sections 4-11-2, 4-11-7 and 4-11-16 of the Codified Ordinances of the County of Orange are 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, 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.

(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 and maintain access to all acute care hospitals for Medi-Cal recipients in the County of Orange.

(7) Implements a financial plan which includes the creation of a prudent reserve within three

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) Includes mechanisms that protect against arbitrary or capricious formation and termination of contracts.

~~(8)~~(9) 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 any of 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.); and

(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 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 following

~~requirements are both met; but only 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.~~

(1) 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.

(2)-The Health Authority shall offer all acute care hospitals designated by the Orange County Emergency Medical Services as emergency receiving centers and physically located and operating within the County of Orange, a network contract for emergency and post-stabilization care, on the same terms and conditions as the Health Authority requires for these services from other acute care hospitals. The Health Authority shall maintain network contracts, containing those same terms and conditions for these services, with all acute care hospitals designated by the Orange County Emergency Medical Services as emergency receiving centers who accept that offer.

(A)-Notwithstanding the requirements of this subsection (g)(2), the Health Authority may offer a network contract with different terms and conditions as the Health Authority requires from other acute care hospitals upon an affirmative vote of the Health Authority's governing body and 60 calendar days' advance written notice to the Orange County Board of Supervisors.

(B) Notwithstanding the requirements of this subsection (g)(2), the Health Authority may terminate, and not maintain, a network contract with an acute care hospital designated by the Orange County Emergency Medical Services as emergency receiving centers, upon an affirmative vote of the Health Authority's governing body and 60 calendar days' advance written notice to the Orange County Board of Supervisors.

(g)(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.

(g)(h) Subject to state and federal laws, any authorized representative of the County of Orange

may, in coordination with the governing body of the Health Authority, be provided access to such books, documents, or records as are reasonably necessary to review the Health Authority's compliance with Section 4-11-2. A copy of the findings from any such review shall be provided to the governing body of the Health Authority.

Sec. 4-11-7. - Restrictions.

- (a) Any contract entered into by the Health Authority shall contain a provision that any Health Authority obligation created by the contract shall not be an obligation of the County of Orange.
- (b) Subject to state and federal laws, any authorized representative of the County of Orange shall be given access to any books, documents or other records of the Health Authority pertinent to the enforcement of this section.

Section 4-11-16 – Findings; conflict of interest.

(a) Pursuant to Welfare and Institutions Code section 14087.57(a) and section 18707.4 of title 2 of the California Code of Regulations, it is determined that health care providers appointed to the Board of Directors of the Health Authority are intended to represent and further the interest of a health care industry, trade or profession, and that such representation and furtherance will ultimately serve the public interest. Accordingly, it is determined that for purposes of health care providers who are members of the Board of Directors of the Health Authority, a health care industry, trade or profession is tantamount to and constitutes the public generally within the meaning of section 87103 of the California Government Code.

(b) As used in this section, "health care industry, trade or profession" shall mean physicians, health care practitioners, hospitals, pharmacies, or other health care organizations, including managed care organizations, and trade or professional associations.

(c) A member of the Health Authority Board of Directors shall not be deemed to be interested in a contract entered into by the Health Authority within the meaning of article 4 (commencing with section 1090) of chapter 1 of division 4 of title 1 of the Government Code if all of the requirements set forth in Welfare and Institutions Code section 14087.57 are satisfied.

~~(b)~~(d) Subject to state and federal laws, any authorized representative of the County of Orange may, in coordination with the governing body of the Health Authority, be provided access to such books, documents, or records as are reasonably necessary to review the Health Authority's compliance with Section 4-11--16. A copy of the findings from any such review shall be provided to the governing body of the Health Authority.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE COUNTY OF ORANGE, CALIFORNIA,  
AMENDING SECTIONS 4-11-2, 4-11-7, AND 4-11-16 OF THE  
CODIFIED ORDINANCES OF THE COUNTY OF ORANGE,  
REGARDING CONTRACTING BY THE ORANGE COUNTY  
HEALTH AUTHORITY

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

SECTION 1. Sections 4-11-2, 4-11-7 and 4-11-16 of the Codified Ordinances of the County of Orange are 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, 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.

(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 and maintain access to all acute care hospitals for Medi-Cal recipients in the County of Orange.

(7) Implements a financial plan which includes the creation of a prudent reserve within three

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) Includes mechanisms that protect against arbitrary or capricious formation and termination of contracts.

(9) 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 any of 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.); and

(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 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 following

requirements are both met:

(1) 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.

(2) The Health Authority shall offer all acute care hospitals designated by the Orange County Emergency Medical Services as emergency receiving centers and physically located and operating within the County of Orange, a network contract for emergency and post-stabilization care, on the same terms and conditions as the Health Authority requires for these services from other acute care hospitals. The Health Authority shall maintain network contracts, containing those same terms and conditions for these services, with all acute care hospitals designated by the Orange County Emergency Medical Services as emergency receiving centers who accept that offer.

(A) Notwithstanding the requirements of this subsection (g)(2), the Health Authority may offer a network contract with different terms and conditions as the Health Authority requires from other acute care hospitals upon an affirmative vote of the Health Authority's governing body and 60 calendar days' advance written notice to the Orange County Board of Supervisors.

(B) Notwithstanding the requirements of this subsection (g)(2), the Health Authority may terminate, and not maintain, a network contract with an acute care hospital designated by the Orange County Emergency Medical Services as emergency receiving centers, upon an affirmative vote of the Health Authority's governing body and 60 calendar days' advance written notice to the Orange County Board of Supervisors.

(g) 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.

(h) Subject to state and federal laws, any authorized representative of the County of Orange may, in coordination with the governing body of the Health Authority, be provided access to such books, documents, or records as are reasonably necessary to review the Health Authority's compliance with Section 4-11-2. A copy of the findings from any such review shall be provided to the governing body of the Health Authority.

**Sec. 4-11-7. - Restrictions.**

- (a) Any contract entered into by the Health Authority shall contain a provision that any Health Authority obligation created by the contract shall not be an obligation of the County of Orange.
- (b) Subject to state and federal laws, any authorized representative of the County of Orange shall be given access to any books, documents or other records of the Health Authority pertinent to the enforcement of this section.

**Section 4-11-16 – Findings; conflict of interest.**

- (a) Pursuant to Welfare and Institutions Code section 14087.57(a) and section 18707.4 .of title 2 of the California Code of Regulations, it is determined that health care providers appointed to the Board of Directors of the Health Authority are intended to represent and further the interest of a health care industry, trade or profession, and that such representation and furtherance will ultimately serve the public interest. Accordingly, it is determined that for purposes of health care providers who are members of the Board of Directors of the Health Authority, a health care industry, trade or profession is tantamount to and constitutes the public generally within the meaning of section 87103 of the California Government Code.
- (b) As used in this section, "health care industry, trade or profession" shall mean physicians, health care practitioners, hospitals, pharmacies, or other health care organizations, including managed care organizations, and trade or professional associations.
- (c) A member of the Health Authority Board of Directors shall not be deemed to be interested in a contract entered into by the Health Authority within the meaning of article 4 (commencing with section 1090) of chapter 1 of division 4 of title 1 of the Government Code if all of the requirements set forth in Welfare and Institutions Code section 14087.57 are satisfied.
- (d) Subject to state and federal laws, any authorized representative of the County of Orange may, in coordination with the governing body of the Health Authority, be provided access to such books, documents, or records as are reasonably necessary to review the Health Authority's compliance with Section 4-11-16. A copy of the findings from any such review shall be provided to the governing body of the Health Authority.