

35862

DATE: August 30, 2013

TO: Board of Acquisition and Contract

FROM: Sherlita Amler, M.D.
Commissioner of Health

RE: Authority for the County, acting by and through its Department of Health, to enter into an escrow agreement with the New York State Department of Health (“NYSDOH”), pursuant to which the County will pay to NYSDOH, or its fiscal agent, NYSDOH-calculated payments of the County’s anticipated and actual share of NYSDOH-approved claims under the Early Intervention Program, for a term commencing April 1, 2013 and continuing until termination by the NYSDOH, upon sixty (60) days notice to the County

Authority is requested from your Honorable Board for the County of Westchester, acting by and through its Department of Health, (the “County”) to enter into an escrow agreement (the “Escrow Agreement”) with the New York State Department of Health (“NYSDOH”), pursuant to which the County will pay to NYSDOH, or its fiscal agent, NYSDOH-calculated payments of the County’s anticipated and actual share of NYSDOH-approved claims from NYSDOH-contracted Early Intervention Services Providers (“Providers”) under the Early Intervention Program (“EIP”). The Escrow Agreement shall be for a term commencing April 1, 2013 and continuing until termination by NYSDOH, upon sixty (60) days notice to the County.

The purpose of EIP is to identify, as early as possible, those infants and toddlers from birth to two years of age whose healthy development is compromised and to provide appropriate intervention and evaluation services to improve child and family development.

Among other things, Chapter 56 of 2012 of the Laws of New York (the “PHL Amendments”) amended various parts of the New York State Public Health Law (“PHL”) in order to change the way payments are made to Providers for services rendered under EIP. Previously, the County contracted with the Providers for EIP services and paid Providers directly. Under the PHL Amendments, effective April 1, 2013, NYSDOH assumed responsibility for both contracting with Providers and making payments to Providers. However, the PHL Amendments did not alter the County’s obligation to pay for its specified share of the costs of EIP services, so the County remains responsible, as the payor of last resort, for using tax levy funds to pay for fifty-one percent (51%) of approved costs of EIP services that are not reimbursable by a third party payor (including the Medical Assistance Program, commonly known as Medicaid). Accordingly, the County will now have to make payments to NYSDOH, so that NYSDOH can, in turn, make payments to Providers.

In order to establish the contractual mechanism for the County to make these payments to NYSDOH, and provide the basis for the calculation of the escrow payments and the reconciliation of actual expenditures, NYSDOH required the County to execute the Escrow Agreement.

The Escrow Agreement provides the procedure for calculating, and making, the County's escrow payments to NYSDOH, which is summarized as follows:

NYSDOH shall notify the County of the amount to be deposited into the County's NYSDOH escrow account for claims from April 1, 2013 through April 30, 2013, which shall be one-twelfth of the total expenditures paid by the County for approved costs of EIP services in the most recent year for which complete data is available, less the amount of such costs paid by third party payors, including commercial insurance and Medicaid, unless otherwise agreed by NYSDOH.

Beginning on or about April 15, 2013 and at the end of every two week period thereafter, NYSDOH and/or its fiscal agent shall notify the County of the amount to be deposited into the County's NYSDOH escrow account, which shall be calculated as the total of all Provider claim payments made on behalf of the County during the prior two week period, and the County is required to make payment into the escrow account in the amount set forth in the notice no later than fifteen (15) days after receipt of such notice.

This approach is intended to ensure that NYSDOH has sufficient funds in the County's NYSDOH escrow account to support the upcoming payments to the Providers for approved costs for which the County is responsible.

The Escrow Agreement also provides the procedure for reconciling the actual expenditures for which the County is, ultimately, actually responsible. That procedure is summarized as follows:

NYSDOH will, at least quarterly, provide the County with an itemized report of all Provider claims paid on behalf of the County, which may be subject to adjustments and reconciliation based upon actual expenditures. If the County is found to have overpaid, NYSDOH will refund the County the overpayment. If the County is found to have underpaid, the County will be required to pay the unpaid amount no later than thirty (30) days after the reconciliation has taken place.

The Escrow Agreement will serve a public purpose by ensuring that the County complies with the PHL and facilitates NYSDOH's payments to Providers for EIP services that have been rendered, so that such services continue to be provided without interruption.

The goal and objective of the Escrow Agreement is to ensure that the County complies with the PHL and facilitates NYSDOH's payments to Providers for EIP services that have been rendered, so that such services continue to be provided without interruption.

The goal and objective of the Escrow Agreement is in the best interests of the County in terms of the public health and general welfare of County residents, as it will ensure that Providers of EIP services are paid in a timely manner and that EIP services will, therefore, continue to be provided without interruption.

The goal and objective of the Escrow Agreement will be tracked and monitored by the staff of the Department of Health.

Approval of the attached Resolution is respectfully requested.

/dc

RESOLUTION

UPON A COMMUNICATION FROM THE COMMISSIONER OF HEALTH, be it hereby

RESOLVED, that the County of Westchester, acting by and through its Department of Health, (the "County") is hereby authorized to enter into an escrow agreement (the "Escrow Agreement") with the New York State Department of Health ("NYSDOH"), pursuant to which the County will pay to NYSDOH, or its fiscal agent, NYSDOH-calculated payments of the County's anticipated and actual share of NYSDOH-approved claims from NYSDOH-contracted Early Intervention Services Providers under the Early Intervention Program ("EIP"); and be it further

RESOLVED, that the Escrow Agreement shall be for a term commencing April 1, 2013 and continuing until termination by NYSDOH upon sixty (60) days notice to the County; and be it further

RESOLVED, that the County will be responsible, as the payor of last resort, for using tax levy funds to pay for fifty-one percent (51%) of approved costs of EIP services that are not reimbursable by a third party payor (including the Medical Assistance Program, commonly known as Medicaid); and be it further

RESOLVED, that the County Executive or his duly authorized designee be and hereby is authorized and empowered to execute all appropriate contracts or documents necessary to effectuate the purposes of this resolution in the manner prescribed by law.

Agreement # _____

Account to be Charged/Credited	Fund	Dept	Major Program, Program & Phase or Unit	Object/ Sub-Object	Trust Account	Dollars
		101	27	2700	4541	

Budget Funding Year(s) (must match resolution)	2013 – Until Termination	Start Date	04/01/13	End Date	Until Termination
Funding Source	Tax Dollars		51%		
	State Aid		49%		
To be calculated (must match resolution)	Federal Aid				
	Other				