

Introduced by:
Date:
Action:
Vote:

Mayor
12/10/02
Withdrawn by Sponsor

**KENAI PENINSULA BOROUGH
RESOLUTION 2002-149**

**A RESOLUTION SUPPORTING THE DEVELOPMENT OF A DENTAL CLINIC
SERVING MEDICAID ELIGIBLE PATIENTS WITHIN THE CENTRAL KENAI
PENINSULA HOSPITAL SERVICE AREA AND AUTHORIZING THE
ADMINISTRATION TO NEGOTIATE AGREEMENTS WITH THE STATE AND
CENTRAL PENINSULA HEALTH CENTERS, INC.**

- WHEREAS,** Central Peninsula Health Centers, Inc. (CPHC), a nonprofit entity that provides health care services to under and uninsured residents of the central Kenai Peninsula including Medicaid eligible patients, intends to expand its operations to include dental services by establishing a new clinic in the borough; and
- WHEREAS,** the State of Alaska has agreed to provide grant funding to CPHC through the disproportionate share hospital (DSH) payment program; and
- WHEREAS,** the DSH program requires local participation in the form of an intergovernmental transfer (IGT) of funds to the State; and
- WHEREAS,** the State of Alaska Department of Health and Social Services (DHSS) has determined that Medicaid regulations allow the IGT to be returned to the locally owned public hospital along with a reasonable administrative fee; and
- WHEREAS,** due to its deadline for budget development, the State of Alaska DHSS is seeking immediate approval from the Kenai Peninsula Borough to pursue this project; and
- WHEREAS,** at this time the administration recognizes that Medicaid regulations are extremely complex and that there may be financial risks to the Kenai Peninsula Borough; and
- WHEREAS,** the borough administration has tentatively concluded that the risks to the borough can be managed by collateralizing the Medicaid payment with a security interest in the building and equipment purchased by the CPHC using the DSH payment and by appropriating the IGT through the FY04 Central Peninsula Hospital Service Area budget; and
- WHEREAS,** either prior to or as a part of the agreement between the borough and the state, the state must agree to work towards an ongoing relationship with CPGH, Inc. and the Kenai Peninsula Borough through the hospital service areas to participate in

future DSH programs for the benefit of the borough hospitals rather than providing funding to an external organization; and

WHEREAS, the Central Kenai Peninsula Hospital Service Area Board at its special meeting held December 2, 2002 recommended _____;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Assembly supports the Central Peninsula Health Center's, Inc. dental clinic project and requests that the administration continue to pursue this project, and to exercise due diligence in minimizing risk of loss to the borough and its service area.

SECTION 2. That the administration is authorized to negotiate and execute the necessary agreements with the State of Alaska, provided that execution of all such agreements shall be subject to assembly appropriation and availability of funds for the intergovernmental transfer required for this project. It is intended that the intergovernmental transfer will be provided from the Central Kenai Peninsula Hospital Service Area through the FY04 budget process, using funds transferred to it from the Central Peninsula General Hospital Plant Expansion and Replacement Fund, and that these funds will be retained by the hospital upon reimbursement from the state for hospital purposes.

SECTION 3. The agreement to provide funds for this project must be fully collateralized with a priority interest in the dental building to be purchased by CPHC, Inc. and such other collateral as the administration deems appropriate.

SECTION 4. Any agreement regarding this program with the State of Alaska must include or be conditioned upon a statement of mutual intent to work towards agreements where borough hospitals may participate in future DSH programs.

SECTION 5. That this resolution will take effect immediately upon its enactment.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 10TH DAY OF DECEMBER, 2002.

Pete Sprague, Assembly President

ATTEST:

Linda S. Murphy, Borough Clerk