



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: July 16, 2012
Board Meeting Date: August 14, 2012
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Stephen Kaplan, Director, Behavioral Health and Recovery Services

Subject: Agreement with the State of California Departments of Mental Health and Health Care Services

RECOMMENDATION:

Adopt a Resolution authorizing a revenue agreement with the State of California Departments of Mental Health and Health Care Services for Medi-Cal Managed Care and specialty mental health services for the term of April 1, 2012 through December 31, 2012, in the amount of \$38,021,710

BACKGROUND:

In April 1995, under a waiver granted to the State of California Department of Health Services (DHS) by the federal Centers for Medicare and Medicaid Services (CMS), San Mateo was the first California county to implement a mental health managed care system for Medi-Cal beneficiaries. Previous State of California Department of Mental Health (DMH) Managed Care agreements have authorized Behavioral Health and Recovery Services (BHRS), under the conditions of these federal waivers, to be the San Mateo County Mental Health Plan (MHP) to provide mental health services to Medi-Cal beneficiaries. These agreements have provided State General Fund revenue to support managed care and other specialty mental health services. They have also included compliance requirements for services to Medi-Cal beneficiaries. These agreements have been prepared by DMH.

From 1995 through FY 2004-05 BHRS (formerly Mental Health Services) applied for and received federal CMS waivers allowing the operation of our managed care mental health system with case rate reimbursement from the DMH. Effective July 1, 2005, San Mateo County was folded into a federal waiver submitted by DMH for all other California counties. Under that waiver reimbursement from the DMH is made on a fee-for-service basis with cost-based settlement.

The last agreement for these services was for FY 2006-09. The State has agreed to operate under the terms of that agreement until a new agreement is in place.

DISCUSSION:

As part of the State's health care reform, effective July 1, 2012, DMH is eliminated. The State of California Department of Health Care Services (DHCS) has assumed the contract obligations specified in this agreement. As the term of the agreement begins on April 1, 2012, both DMH and DHCS are parties to the agreement. The agreement defines the requirements for quality improvement, management and assurance, record keeping, client rights, availability and accessibility of services, utilization management, provider certification and fee-for-service reimbursement. It also establishes requirements for day treatment services, Therapeutic Behavioral Services (TBS), certification of program integrity, the Health Insurance Portability and Accountability Act (HIPAA), and other program requirements. This agreement shall remain in effect only until DHCS and the County execute a successor MHP contract or until December 31, 2012, whichever is earlier.

The agreement has been delayed due to protracted negotiations between the California Mental Health Directors Association (on behalf of counties) and the State.

The agreement and Resolution have been reviewed and approved by County Counsel as to form.

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing managed care and other specified mental health services for San Mateo County residents.

FISCAL IMPACT:

The agreement maximum is \$38,021,710. This includes the match funding for mental health Managed Care services and Early Periodic Screening, Diagnosis and Treatment (EPSDT) services, and all federal financial participation funding for Short-Doyle Medi-Cal services for FY 2012-13. Prior agreements with the State for these services did not include an amount for these federal funds in the agreement maximums. If the volume of services provided were to exceed the maximum, the State would amend the agreement. Revenue for Managed Care and EPSDT services will be provided through 2011 Realignment. These revenues have been included in the BHRS FY 2011-12 Adopted Budget and the BHRS FY 2012-13 Recommended Budget.