



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** December 5, 2012  
**Board Meeting Date:** January 15, 2013  
**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:** First Amendment to the Agreement with the State of California Department Health Care Services

**RECOMMENDATION:**

Adopt a Resolution authorizing an amendment to the agreement with the State of California Department of Health Care Services for Medi-Cal Managed Care and Specialty Mental Health services, extending the term through April 30, 2013.

**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. Under the conditions of the federal waiver, Behavioral Health & Recovery Services (BHRS) was authorized to become the San Mateo County Mental Health Plan (MHP), providing mental health services to Medi-Cal beneficiaries in previous agreements with the state. These agreements have provided for federal Medi-Cal revenue to support managed care and other specialty mental health services.

On August 14, 2012, your Board approved an 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, for a maximum obligation of \$38,021,710.

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.

**DISCUSSION:**

DHCS would now like to amend the agreement to extend the term through April 30, 2013, with no change in the maximum obligation of \$38,021,710. This is an extension to the prior year's agreement rather than a new agreement because the State Department of Health Care Services has not completed its transition and contract development for the programs transferred from the former State Department of Mental Health.

BHRS requests your Board to authorize the Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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 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 Medical services for FY 2012-13. We believe the amount of funding will be sufficient for the remaining term of the agreement. Required match 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 Adopted Budget.