



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



**Date:** April 26, 2013  
**Board Meeting Date:** May 21, 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:** Agreement with the State of California Department Health Care Services

**RECOMMENDATION:**

Adopt a Resolution authorizing the Director of Behavioral Health and Recovery Services to execute an agreement with the State of California Department of Health Care Services for Medi-Cal Managed Care and Specialty Mental Health services for the term of May 1, 2013 through June 30, 2018 in an amount not to exceed \$8,113,337,000.

**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 specialty mental health services offered through a managed system of care.

In April 2012 the State began transferring oversight of Medi-Cal Managed Care and Specialty Mental Health programs to the Department of Health Care Services (DHCS) from the Department of Mental Health. DHCS will assumed responsibility for the Medi-Cal programs on May 1, 2013.

**DISCUSSION:**

This 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.

BHRS requests your Board to authorize the Director of BHRS to execute this agreement and any amendments thereto and on behalf of the County.

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 is for the period of May 1, 2013 through June 30, 2018 for a maximum of \$8,113,337,000. This is the statewide amount that DHCS is including in all county contracts. BHRS anticipates that San Mateo County will receive approximately \$154,628,561 over the term of this agreement. This includes federal 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. Required match for Managed Care and EPSDT services will be provided through 2011 Mental Health Realignment. Projected revenues for these services have been included in the BHRS FY 2012-13 Adopted Budget and \$28,856,026 of projected revenues will be included in the FY 2013-14 Recommended Budget. Similar arrangements will be made for FY 2014-15, FY 2015-16, FY 2016-17 and FY 2017-18.

BHRS receives federal revenue by claiming for services that have been provided to clients with Medi-Cal eligibility. Annual maximums are based upon projections made by DHCS. If actual revenue due to BHRS were to exceed the annual maximum, the agreement would be amended to increase the maximum amount.