



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH SERVICES BHRS

**File #:** 18-820

Board Meeting Date: 9/4/2018

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Louise F. Rogers, Chief, Health System  
**Subject:** Agreement with the State of California Department Health Care Services

**RECOMMENDATION:**

Adopt a resolution authorizing 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 July 1, 2017 through June 30, 2022, for a zero-dollar amount.

**BACKGROUND:**

In April 1995, under a waiver granted to the State of California Department of Health Care Services (DHCS) by the US 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.

In May 2013, your Board approved Resolution 072528 authorizing the Director of BHRS to execute an agreement and any subsequent amendments with DHCS for the term of May 1, 2013 through June 30, 2018. In 2017, DHCS began to draft new rules and regulations for the Drug Medi-Cal Organized Delivery System. In an effort to create parity between the Medi-Cal system and the Drug Medi-Cal system, DHCS has combined and revised the rules and regulations governing all Medi-Cal delivery systems. The changes became effective on July 1, 2017.

**DISCUSSION:**

BHRS is requesting approval of a new agreement for the term of July 1, 2017 through June 30, 2022. This new agreement defines revised requirements in such areas as: 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, certification of program integrity, the Health Insurance Portability and Accountability Act, and other program requirements.

In addition, DHCS determined that the new agreement no longer needs to state a contract dollar amount, as funding used to pay for specialty mental health services flows through different payment mechanisms (realignment distributions and per claim federal financial participation reimbursement) and the contract is not the vehicle by which those funds are paid to counties. DHCS has statutory authority to reimburse counties and believes this approach will serve to eliminate the need for future contract amendments to change funding amounts based on actual or estimated expenditures.

BHRS requests your Board to authorize the Chief of the Health System 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.

This agreement is late due to delayed notification from DHCS.

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 July 1, 2017 through June 30, 2022. 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 Realignment. Revenues for these services for FY 2017-18 were \$30,446,997. Revenue for these services for FY 2018-19 are estimated at \$31,504,614. Projected revenues for these services have been included in the BHRS FY 2018-19 Recommended Budget. Similar arrangements will be made for FY 2019-20, FY 2020-21, and FY 2021-22.

BHRS receives federal revenue by claiming for services that have been provided to clients with Medi-Cal eligibility. The claims will be reimbursed from various funds, such as: the Mental Health Account and the Behavioral Health Subaccount of the Local Revenue Fund 2011, funds from the Mental Health Services Fund, and other funds that the State Controller makes distributions to the counties in compliance with applicable statute and regulations including Welf. & Inst. Code §§ 5891, 5892 and 14705(a)(2).