



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-977

Board Meeting Date: 10/23/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief Health System
Stephen Kaplan, Interim Director, Behavioral Health and Recovery Services

Subject: Agreement with MCG Health, LLC for Clinical Care and Medical Necessity Guidelines Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with MCG Health, LLC for clinical care and medical necessity services, for the term September 30, 2018 through September 29, 2021, in an amount not to exceed \$365,100.

BACKGROUND:

Since September 2016, BHRS has contracted with MCG to provide care guidelines that are utilized by the BHRS Access Call Center during the authorization of services for the mild and moderate mentally ill, as a delegate of HPSM. The MCG product is fully automated, scalable to the entire organization, user-friendly, presents useful and organized information, and allows for the integration of local criteria and protocols without affecting the integrity of the core criteria.

DISCUSSION:

Due to the State's recent adoption of the Managed Care and Parity Final Rule, BHRS must now deploy utilization management to all BHRS programs; this proposed contract expands BHRS' use of the MCG service. Most notably under this agreement, MCG will continue to provide utilization management care guidelines, but expand to cover services for the Severely Mentally Ill (SMI) population. Given the benefits of the MCG product, BHRS believes it is in the best interest of the County to continue to contract with MCG to provide care guidelines and recommends a waiver of the Request for Proposal (RFP) for these services.

The Resolution contains the County's standard provision allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and Resolution have been reviewed and approved by County Counsel as to form. This agreement is late due to prolonged contract negotiations.

ISD has reviewed and approved the IT component of this agreement.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by assuring that all those seeking services from BHRS are treated equally and fairly when service decisions are made. Success for services under this agreement is measured by compliance with time standards for responses to service requests. It is anticipated that 85% of service requests will meet timeline standards of no more than 14 calendar days.

PERFORMANCE MEASURE:

| Measure | FY 2017-18 Estimated | FY 2018-19 Projected |
|--|----------------------|----------------------|
| Number of service requests meeting the time response standard (14 calendar days) | 85% 3,485 | 90% 6,680 requests |

FISCAL IMPACT:

The term of the agreement is September 30, 2018 through September 29, 2021. The amount of the agreement is not to exceed \$365,100, and is included in the BHRS FY 2018-19 Adopted Budget. It is anticipated that Medi-Cal will fund \$124,134 and Realignment will fund \$131,436. The Net County Cost will be \$109,530. The payment provisions of the contract are different from the prior contract because the number of covered lives has increased with the addition of the SMI caseload added to the agreement. Similar arrangements will be made for future budget years.