



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-670

Board Meeting Date: 8/1/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Louise F. Rogers, Chief, San Mateo County Health
Jei Africa, Director, Behavioral Health, and Recovery Services

Subject: Agreement with the State of California Department Health Care Services

RECOMMENDATION:

Measure K: 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, 2023, through June 30, 2027, for intergovernmental transfers not to exceed \$68,034,116 annually.

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, 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 and Recovery Services (BHRS) was authorized to become the San Mateo County Mental Health Plan, providing mental health services to Medi-Cal beneficiaries in previous agreements with the State. These agreements provided for federal Medi-Cal revenue to support managed care and other specialty mental health services.

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, 2023, through June 30, 2027. This new agreement defines intergovernmental transfers as a match for fee-for-service reimbursements. It also establishes match requirements for day treatment services, Therapeutic Behavioral Services, and other program requirements. This new agreement is aligned with the agreement setting forth the Medi-Cal reform requirements, more commonly known as CalAIM, including new Medical Necessity requirements and access criteria that simplify client access to care.

It also contains provisions that allow for treatment to begin immediately prior to assessing if the client meets eligibility criteria. Such services will be reimbursed to the County even if the client is later determined not to meet specialty mental health services criteria and will require match intergovernmental transfers.

BHRS requests this Board to authorize the Chief of San Mateo County Health or designee to execute this agreement and any amendments thereto on behalf of the County.

The agreement and resolution have been reviewed and approved by the County Attorney as to form. This agreement is coming to this Board late due to delayed notification from DHCS.

The resolution contains the County's standard provisions 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 the County Attorney as to form.

It is anticipated that 96% of clients will be maintained at equal or lower level of care.

PERFORMANCE MEASURE:

Measure	FY 2023-24 Estimated	FY 2024-25 Projected
Percentage of clients maintained at equal or lower level of care	96% 13,653 clients	96% 13,653 clients

FISCAL IMPACT:

The term of this agreement is from July 1, 2023, through June 30, 2027. The amount of this agreement is not to exceed \$68,034,116 annually for the four-year term. This agreement is entirely funded through the Realignment, **Measure K**, Mental Health Services Act funds. Funds have been included in the FY 2023-24 Recommended Budget. There is no Net County Cost.