



Board Agenda Item 34

DATE: April 23, 2024

TO: Board of Supervisors

SUBMITTED BY: Susan L. Holt, LMFT, Director of Behavioral Health

SUBJECT: Retroactive Amendment I to Agreement with BHC Heritage Oaks Hospital for Inpatient Psychiatric Hospital Services.

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a retroactive Amendment I to Agreement with BHC Heritage Oaks Hospital, to modify the Scope of Work and rate sheet, effective January 1, 2024 with no change in term of July 1, 2023 to June 30, 2025 and increasing the maximum by \$3,920,000 to a total of \$5,500,000.

Approval of the recommended action will modify the agreement scope of work and rates to align the service rates with Contractor's Regional Rate as well as the most current Specialty Mental Health Services Medi-Cal Billing Manual Version 1.4, which aligns with CalAIM payment reform. An increase in the maximum compensation is required to cover costs due to increased demand for inpatient psychiatric services at BHC Heritage Oaks Hospital. The increase will be funded with Behavioral Health Realignment funds with no increase to Net County Cost. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. If the Board does not approve the recommended action, DBH will not be able to pay BHC Heritage Oaks for Fresno County persons referred and will lose access to needed Inpatient Psychiatric services for persons with high acuity needs to serve the community.

RETROACTIVE AGREEMENT:

The recommended amendment is retroactive to January 1, 2024 to modify BHC Heritage Oaks rate sheet to reflect Regional Rates that are published annually by the Department of Health Care Services (DHCS). The Regional Rates were published by DHCS on August 21, 2023, requested by the hospital on November 20, 2023, were approved by the DBH executive team and brought to your Board at the earliest possible date possible due to delays in approval by BHC Heritage Oaks Hospital.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The maximum compensation of BHC Heritage Oaks Hospital (\$5,500,000) is funded with Mental Health Realignment. Sufficient appropriations and estimated revenues are included in DBH's Org 5630 FY 2023-24 Adopted Budget and will be included in future budget requests for the duration of the term. Actual costs will be determined by actual services provided. Invoices for Electroconvulsive Therapy are pending.

DISCUSSION:

On May 21, 2013, your Board approved Agreement No. 13-283 with DHCS, establishing DBH as the Mental Health Plan (MHP) for the County's Medi-Cal persons served. The responsibilities include ensuring persons served have access to medically necessary mental health services provided within and/or outside of the County and reimbursement to mental health providers and psychiatric inpatient hospitals for services provided to persons served, in accordance with Welfare and Institutions Code (WIC) and Title 9 of California Code of Regulations (CCR).

On May 8, 2018, your Board approved Master Agreement No. 18-250 to contract with Inpatient Psychiatric Hospitals whose service costs may exceed the \$200,000 maximum payable by the Internal Services Department - Purchasing Division Manager to non-contracted inpatient psychiatric hospitals rendering them unpayable under the expedited process approved on June 6, 2017.

The individuals served on the Master Agreement have high acuity needs and require immediate inpatient services that are volatile. The Master Agreement was intended to provide a mechanism for timely payment processing, minimizing of inpatient service wait times, and reliable availability of inpatient beds for county residents in need of inpatient psychiatric care.

On July 1, 2023 DBH superseded numerous agreements based on CalAIM requirements. The Inpatient Psychiatric Hospital Agreements were part of this sweep. BHC Heritage Oaks was previously on the Master Agreement but requested to contract with DBH separately during this time.

DBH has determined that the maximum compensation for the Agreement 23-311 is not sufficient for the remainder of Fiscal Year 2023-24. More persons served have been referred/placed at BHC Heritage Oaks in the last fiscal year. The recommended action will add additional funds from July 1, 2023 through June 30, 2025 to ensure funding is available for services provided.

This recommended amendment will revise Exhibit F Insurance Requirements to allow for the inclusion of Contractor self-insurance program as requested by County Risk Management and approved by the DBH executive team.

The recommended amendment will also modify BHC Heritage Oaks rate sheet in accordance with Medi-Cal requirements for claiming professional fees as defined in the Specialty Mental Health Services Billing Manual 1.4 based on CAL-AIM payment reform. Additionally, the DBH executive team has approved increasing BHC Heritage Oaks rates to align with the DHCS Regional Rates, which are set annually, effective January 1, 2024.

DBH is also requesting approval to pay for Electroconvulsive Therapy for an authorized person for services rendered from November 6, 2023 through December 7, 2023. DBH executive team has made the decision that no other persons will be authorized Electroconvulsive Therapy Services as part of this Agreement based on the cost of each session.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified in the April 2024 meeting.

REFERENCE MATERIAL:

BAI #48, June 20, 2023
BAI #33, May 8, 2018
BAI #40, June 6, 2017
BAI #46, May 21, 2013

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment I with BHC Heritage Oaks Hospital

CAO ANALYST:

Ron Alexander