



Board Agenda Item 51

DATE: December 9, 2025

TO: Board of Supervisors

SUBMITTED BY: Susan Holt, Director, Department of Behavioral Health

SUBJECT: Participation Agreement with the California Mental Health Services Authority for External Quality Review Audit Support

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a Participation Agreement with the California Mental Health Services Authority for External Quality Review Audit and Performance Improvement Projects Support Program, effective January 1, 2026 through December 31, 2026, total not to exceed \$41,300; and**
- 2. Approve and authorize the Department of Behavioral Health Director, or designee, to be the signatory and act as the Fresno County representative on behalf of the Board of Supervisors on associated California Mental Health Services Authority External Quality Review Audit and Performance Improvement Projects Support related reports and forms, without modifying the maximum compensation.**

Approval of the first recommended action will assign funding to the California Mental Health Services Authority (CalMHSA) to provide technical support for External Quality Review (EQRO) Audit. This support will assist the County in meeting the EQRO reporting requirements for Fiscal Year (FY) 2025-26. Approval of the second recommended action will allow the Department of Behavioral Health Director, or designee, to sign related reports and forms, without modifying the maximum compensation, and act as a representative of the County. The services are funded with Planning and Quality Management funds, with no increase in Net County Cost. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the County will not receive any EQRO audit support for FY 2025-26 and the quality of the County's performance data and compliance will not be externally validated. The County would be out of compliance and may face administrative and/or monetary sanctions from the Department of Health Care Services (DHCS).

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Services (\$41,300) are fully funded with Planning and Quality Management funding. Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2025-26 Adopted Budget.

DISCUSSION:

On September 14, 2010, the Board executed Agreement No. A-10-489 with CalMHSA, authorizing the Department to join the CalMHSA Joint Powers Authority (JPA), to develop, implement, administer and

provide fiscal oversight of MHSA projects.

On June 18, 2013, the Board approved Amendment No. 1 (10-489-1) to the Agreement, broadening the stated purpose for the JPA to allow CalMHSA to perform additional services for Behavioral Health Departments acting alone or in collaboration with other Departments, which includes but is not limited to data management, research, and development.

On June 21, 2022, the Board approved Agreement No. A-22-270 with CalMHSA for the Semi-Statewide Electronic Health Records program.

On June 24, 2025, your Board approved Amendments No. 1 and 2 (25-267 and 25-268) to Agreement 22-270 for the Semi-Statewide Enterprise Health Record system. The amendments allowed for payment of required excess user and license fees and allowed CalMHSA to provide audit support for the EQRO review related to the County's SmartCare electronic health record for Fiscal Year 2024-25. For Fiscal Year 2025-26, the recommended Participation Agreement will allow CalMHSA to continue to review the SmartCare system and submit required documentation to validate all performance measures and ensure compliance with all state and federal regulations.

The Medicaid Managed Care Final Rule set forth in 42 CFR 438(c) requires each state Medicaid agency to engage in quality care initiatives including a written quality strategy, assessment and improvement activities, and an annual external quality review performed by a qualified independent organization contracted by DHCS. The review validates health plan performance related to quality, timeliness, and access to care.

The Agreement varies from standard County template as it was drafted by CalMHSA. The template is utilized by CalMHSA to execute Participation Agreements with different Counties and is consistent statewide. The agreement includes a limitation of liability to funds paid to CalMHSA and a mutual indemnity clause. The agreement requires payment for services shall be made within thirty (30) days of receipt of invoice, differing from the County practice of forty-five (45) days from the receipt of invoice. This is standard across all CalMHSA participation agreements. However, the Department believes that the benefit of the contract as written outweighs any potential risks and recommends approval of the agreement.

The recommended Participation Agreement is effective January 1, 2026, through December 31, 2026. The County may withdraw from the Program and terminate the Agreement upon three (3) months' written notice to CalMHSA. Upon cancellation, termination or other conclusions of this contract, any County funds remaining undisbursed after CalMHSA satisfies all obligations arising from the administration of the program shall be returned to the County.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended agreement during the November 2025 meeting.

REFERENCE MATERIAL:

BAI #44, June 24, 2025
BAI #50, June 21, 2022
BAI #57, June 13, 2013
BAI #39, September 14, 2010

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with CalMHSA

CAO ANALYST:

Ronald Alexander