



Board Agenda Item 36

DATE: July 18, 2023

TO: Board of Supervisors

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

SUBJECT: Retroactive Agreement with Fresno Community Hospital and Medical Center dba Community Behavioral Health Center for Inpatient Psychiatric Services

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to waive the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as Fresno Community Hospital and Medical Center dba Community Behavioral Health Center is one of two certified and licensed facilities willing to accept the County's medically indigent on an overflow basis.**
- 2. Approve and authorize the Chairman to execute a retroactive Agreement with Fresno Community Hospital and Medical Center dba Community Behavioral Health Center for referral of Fresno County adult mental health clients to mandated inpatient psychiatric services, effective July 1, 2023, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$22,750,000.**

Approval of the recommended actions will ensure the continued availability of sufficient inpatient psychiatric beds for Fresno County adult mental health clients on an overflow basis at Community Behavioral Health Center (CBHC) located in the city of Fresno, in closest proximity to the client's family. The inpatient psychiatric per client rate was negotiated by the Department of Behavioral Health (DBH) and CBHC and was set based on the Consumer Price Index (CPI) for inpatient hospital services not to exceed a maximum increase of 4% each fiscal year during the contract's term. The beds are funded by Medi-Cal Federal Financial Participation (FFP) and Mental Health Realignment funds, with no increase in Net County Cost. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, acute inpatient psychiatric services needed by adult clients may be delayed due to unavailability at the Department of Behavioral Health's contracted Psychiatric Health Facility (PHF), or the client may be placed at a non-contracted facility that charges a higher rate. Non-approval may also result in acute mental health clients remaining longer periods in local emergency departments.

RETROACTIVE AGREEMENT:

This recommended agreement is retroactive to July 1, 2023. The delay was due to extended contract negotiations and contractor signature processes. The retroactive date is needed to ensure there is no gap in service.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department of Behavioral Health (DBH) recommends your Board waive the competitive bidding process consistent with Administrative Policy No. 34 due to unusual or extraordinary circumstances in order to have CBHC, a qualified acute inpatient hospital licensed with the State, provide services to clients on an overflow basis. The CBHC is one of three local certified and State licensed facilities within a 100-mile radius, and one of only two facilities willing to accept the County's medically indigent, Medi-Cal beneficiaries and recipient referrals on an overflow basis. The other hospital is located in Tulare County; Kaweah Delta has an existing contract with the County for overflow services. The Internal Services Department - Purchasing concurs with DBH's request to waive the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum cost of the recommended agreement (\$22,750,000) will be fully financed with Medi-Cal Federal Financial Participation and Behavioral Health Realignment funds. Sufficient appropriations and estimated revenues (\$4,550,000) are included in the Department's Org 5630 FY 2023-24 Recommended Budget and will be included in subsequent budget requests for the duration of the recommended agreement.

DISCUSSION:

The County operates a Managed Care Mental Health Plan (MHP) through an agreement with the California Department of Health Care Services (DHCS). The MHP oversees the provision of mandated mental health services to Medi-Cal, indigent and uninsured clients of all ages. Pursuant to Welfare & Institutions Code (W&I), Section (§) 14712, the County must ensure the availability and accessibility of an adequate number of beds at inpatient facilities to provide medically necessary acute inpatient psychiatric services. The County is also mandated by W&I §5600 to provide mental health crisis and psychiatric inpatient services to indigent and uninsured clients.

On June 4, 2019, the Board executed agreement No. 19-235 with CBHC to provide acute inpatient psychiatric services on an overflow basis. The County utilized CBHC for the provision of acute psychiatric inpatient services for the following number of Medi-Cal and non Medi-Cal eligible patients:

- FY 2018-19: 1,459 clients for a total of 14,876 patient days
- FY 2019-20: 1,371 clients for a total of 14,262 patient days
- FY 2020-21: 1,262 clients for a total of 11,998 patient days
- FY 2021-22: 1,178 clients for a total of 12,611 patient days

Both County and CBHC staff will work collaboratively in discharge planning to ensure continuity of care and linkage to appropriate ongoing outpatient specialty mental health services. The clients would be referred as needed to either Fresno County's Urgent Care Wellness Center, for new clients entering County mental health services, or at other Adult System of Care appropriate service sites.

The recommended agreement allows for an annual fiscal year increase of the vendor's daily rate based on the CPI rate for inpatient hospital services released during June of each fiscal year, not to exceed a 4% maximum. Any rate adjustment(s) shall not result in an increase to the maximum compensation of the agreement. The recommended contract will provide payments for acute inpatient psychiatric services provided to the County's medically indigent, Medi-Cal Beneficiaries and recipients at no more than \$1,423.02 per patient day for FY 2023-24. The contract also provides for an administrative day rate of \$883.71 per patient day, a rate established by the California Department of Health Care Services Rate Development Branch for use when the client no longer requires acute inpatient psychiatric services and is pending discharge or placement in a lower care level facility. The County will receive a credit for any charges

reimbursed by the State for services rendered by CBHC to clients who later become Medi-Cal eligible. Actual costs will be determined by the actual services rendered.

Upon approval by your Board, the recommended agreement will become effective retroactive to July 1, 2023.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was made aware of the recommended agreement at its July 19, 2023 meeting.

REFERENCE MATERIAL:

BAI #42, June 4, 2019
BAI #30, October 13, 2015
BAI #31, August 25, 2015
BAI #30, April 31, 2015
BAI #43, October 28, 2014
BAI #37, December 3, 2013
BAI #56, June 18, 2013
BAI #27, December 11, 2012

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request
On file with Clerk - Agreement with Fresno Community Hospital and Medical Center

CAO ANALYST:

Ronald Alexander