



Board Agenda Item 35

DATE: 6/23/2020

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health

SUBJECT: Non-Contracted Out-of-County Mental Health Services and Psychiatric Inpatient Hospital Beds for Fresno County Medi-Cal Beneficiaries

RECOMMENDED ACTION(S):

- 1. Authorize the Purchasing Manager, or designee (Director Department of Behavioral Health, Division Manager Managed Care), to continue approving payment to mental health providers for services provided in other counties to Fresno County Medi-Cal beneficiaries without an agreement up to a maximum \$200,000 per provider, the Purchasing Manager's limit, as established by your Board, effective July 1, 2020 through June 30, 2023.**
- 2. Authorize the Purchasing Manager, or designee (Director Department of Behavioral Health, Division Manager Managed Care), to continue approving payment to psychiatric inpatient hospitals for services provided in other counties to Fresno County Medi-Cal beneficiaries without an agreement up to a maximum \$200,000 per hospital, the Purchasing Manager's limit, as established by your Board, effective July 1, 2020 through June 30, 2023.**

The Department of Behavioral Health, in its role as the County Mental Health Plan (MHP), is obligated to reimburse non-contracted mental health providers and psychiatric inpatient hospitals for services provided to County Medi-Cal beneficiaries in other counties, per Title 9, California Code of Regulations (Title 9). Approval of the first recommended action expedites payment to mental health service providers for a small number of County beneficiaries that received emergency and crisis services in other counties. Approval of the second recommended action will expedite payments to non-contracted psychiatric inpatient hospitals for beds serving a small number of County beneficiaries that received emergency and crisis services in other counties. The costs will be funded with Medi-Cal, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), and Mental Health Realignment, with no increase in Net County Cost. This is a Countywide item.

ALTERNATIVE ACTION(S):

If your Board does not approve the first recommended action, processing time for payments to non-contracted mental health providers in other counties providing services to County Medi-Cal beneficiaries will increase significantly.

If your Board does not approve the second recommended action, processing time for payments to non-contracted psychiatric inpatient hospitals in other counties providing services to County Medi-Cal beneficiaries will increase significantly.

In both instances, the payments can be made through the Internal Services Department - Purchasing Division (ISD - Purchasing) approval process, but payment in this manner is time consuming and must be

completed and authorized on a case-by-case basis. The subsequent inefficiency would result in a significant usage increase of staff time to process the payments when compared to the existing streamlined process used for payments to mental health providers and psychiatric inpatient hospitals.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The costs will be based upon actual services rendered and will be financed with Medi-Cal, EPSDT, and Mental Health Realignment funding. Sufficient appropriations and estimated revenues will be included in the Department Org 5630 FY 2020-2021 Requested Budget and future budgets for the duration of the term. For the first recommended action, there are 27 inpatient providers (individual doctors and groups) that have billed to date this fiscal year. For the second recommended action, there are 7 hospitals that have billed to date this fiscal year.

DISCUSSION:

On August 1, 2018, the Board approved Agreement No. 18-525 with the California Department of Health Care Services (DHCS), establishing the Department as the MHP for the County's Medi-Cal beneficiaries. The responsibilities include ensuring beneficiaries have access to medically necessary mental health services provided within or outside of the County and reimbursement to mental health providers and psychiatric inpatient hospitals for services provided to beneficiaries, per Title 9.

On June 6, 2017, the Board approved the continuation of the inter-departmental process implemented in 2002 by the Department, ISD - Purchasing, and the Auditor-Controller/Treasurer-Tax Collector, as well as an expansion of the process. The previously existing process expedited invoice payment for non-contracted mental health providers. The expanded process allowed for expedited invoice payment for non-contracted psychiatric inpatient hospitals, allowing ISD - Purchasing to approve invoices without exceeding the Purchasing Manager's limit of \$200,000 per provider or hospital, as established by your Board in the Purchasing Manual. Per Department policy, the mental health providers are required to have admitting privileges at the hospital where County beneficiaries are being treated.

Continuing the current payment process is critical to ensure out-of-county mental health service access to County Medi-Cal beneficiaries. Any interruption or slowdown of the payment process may result in a reduction of available out-of-county services and hospital beds for beneficiaries. These services and hospital beds are accessed in emergency and crisis situations only and are a vital part of the beneficiaries' mental health care. Although the MHP has contracts with mental health providers and psychiatric inpatient hospitals within and outside of the County, there are instances where a small number of beneficiaries receive services from a mental health provider or psychiatric inpatient hospital that do not have a contract with the MHP. ISD - Purchasing was consulted and concurs with the recommended actions.

Out-of-county non-contracted mental health providers will be paid at the same rate as other fee-for-service contracted providers, and out-of-county non-contracted psychiatric inpatient hospitals will be paid at a rate established by DHCS.

- The average cost per non-contracted mental health provider in FY 2017-18 was \$3,956, with a total annual cost of \$189,885, for all non-contracted mental health providers paid.
- The average cost per non-contracted mental health provider in FY 2018-19 was \$3,413, with a total annual cost of \$112,645, for all non-contracted mental health providers paid.
- The average cost per non-contracted mental health provider in part of FY 2019-20 (July 1, 2019 through March 2020) was \$3,194, with a total year to date cost of \$86,241, for all non-contracted mental health providers paid.
- The average cost per non-contracted psychiatric inpatient hospital in FY 2017-18 was \$30,817, with a maximum annual cost of \$215,716 for all non-contracted psychiatric inpatient hospitals paid.
- The average cost per non-contracted psychiatric inpatient hospital in FY 2018-19 was \$25,539, with

- a maximum annual cost of \$178,772 for all non-contracted psychiatric inpatient hospitals paid.
- The average cost per non-contracted psychiatric inpatient hospital in part of FY 2019-20 (July 1, 2019 through March 2020) is \$37,804, with a maximum cost of \$264,631 for all non-contracted psychiatric inpatient hospitals paid to date.

Costs have increased due to implementation of Final Rule requirements made for compliance with state and federal mandates for Continuity of Care. There has also been an increase because of an expanded definition of the MHP's responsibility to Fresno County residents eligible for, but not participating in, the Medi-Cal program.

Approval of the recommended actions would authorize the continuation of the payment process within the Purchasing Manager's maximum authority limit of \$200,000 per non-contracted mental health provider or non-contracted psychiatric inpatient hospital. Internal policies and procedures are in place to support this inter-departmental process. The Department remains responsible to monitor expenditures. Any non-contracted mental health provider that exceeds the Purchasing Manager's limit will be required to contract with the County through the current version of the Master Agreement for Individual and Group Providers for the Fresno County MHP. Any non-contracted psychiatric inpatient hospital that exceeds the Purchasing Manager's limit will be required to contract with the County through the current version of the Master Agreement for Inpatient Psychiatric Hospital Services for the Fresno County MHP. The recommended actions are effective during FY 2020-21 through FY 2022-23.

REFERENCE MATERIAL:

- BAI #40, June 6, 2017
- BAI #34, March 20, 2018
- BAI #30, August 6, 2019

CAO ANALYST:

Ronald Alexander