



# Board Agenda Item 34

DATE: September 11, 2018

TO: Board of Supervisors

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

SUBJECT: Retroactive Revenue Amendment and Agreement with the State Department of Health Care Services for the Medi-Cal Managed Care Mental Health Plan for Fresno County

## RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a retroactive Amendment to the statewide revenue Agreement No. 13-283 (State Agreement #12-89362) with the State Department of Health Care Services for the Medi-Cal Managed Care Mental Health Plan funding in which Fresno County is a statewide partner, to decrease the term of the existing Agreement by one year from May 1, 2013 to June 30, 2017 with no change in the maximum of \$8,113,337,000.**
- 2. Approve and authorize the Chairman to execute a retroactive revenue Agreement (State Agreement #17-94581) with the State Department of Health Care Services for the Medi-Cal Managed Care Mental Health Plan for Fresno County, effective July 1, 2017 through June 30, 2022 (\$0).**

The first recommended action addresses a change to the termination date of Agreement #13-283 to June 30, 2017 to align with the July 1, 2017 effective date for the recommended agreement within the second recommended action, which is being performed to remain in line with newly enacted Final Rule requirements for Mental Health Plans. The recommended actions provide for the continued funding from the State Department of Health Care Services (DHCS) for the provision of specialty mental health services under the Fresno County Mental Health Plan as mandated by the California Code of Regulations Title 9, Chapter 11 commencing with Section 1810.100, Welfare and Institutions Code Division 5, and Title 42 Code of Federal Regulations to Fresno County Medi-Cal beneficiaries with mental health conditions with no net County cost.

## ALTERNATIVE ACTION(S):

There is no viable alternative action. Should your Board not approve the recommended actions, the Department's ability to collect revenues from DHCS for specialty mental health services provided to County Medi-Cal beneficiaries with mental health conditions and substance use disorders would be limited.

## RETROACTIVE AGREEMENT:

The recommended amendment is retroactive to June 30, 2017 and the recommended agreement is retroactive to July 1, 2017. The existing Agreement #13-283 with DHCS was originally approved with a contract term through June 30, 2018. Recently, DHCS made the decision to terminate Agreement #12-89362 retroactively to June 30, 2017 to coordinate with timeframes of new regulations. Subsequently, DHCS was delayed in distributing both the Mental Health Plan amendment and agreement. The Department

did not receive the final documents until July 31, 2018.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The total revenue available to the County through the existing Agreement #13-283 is \$8,113,337,000. The recommended amendment does not affect the funding of this Agreement.

The total revenue available to the County through the recommended agreement #17-94581 will no longer be allocated and specified within the DHCS contract. The Department will be reimbursed based upon actual services rendered to individuals served and the certified public expenditures reported on the fiscal year-end cost reports.

Sufficient appropriations and estimated revenues are included in the Org 5630 FY 2018-19 Recommended Budget and will be included in subsequent budgets for the remainder of the contract term.

DISCUSSION:

On March 17, 1998, the Board first approved Agreements with DHCS (formerly known as the Department of Mental Health) to operate the Fresno County Mental Health Plan (FCMHP) in accordance with all applicable Federal and State laws. It is the responsibility of the FCMHP to ensure Fresno County Medi-Cal beneficiaries who meet criteria for medical necessity of a serious mental illness (SMI) or serious emotional disturbance (SED) receive specialty mental health services that are within the scope of the recommended agreement.

Specialty mental health services funded by the recommended amendment and agreement and provided by the FCMHP include the following services: mental health services, medication support services, day treatment intensive, day rehabilitation, crisis intervention, crisis stabilization, adult residential treatment, crisis residential treatment, psychiatric health facility services, intensive care coordination, intensive home based services, therapeutic behavioral services, therapeutic foster care, psychiatric inpatient hospital services, and targeted case management.

On May 21, 2013, the Board approved a retroactive revenue Agreement #13-283 with DHCS for the continued funding of the FCMHP (\$8,113,337,000). Federal law brought about changes effective July 1, 2017. The recommended agreement includes implementation of the requirements of the Final Rule. Due to these changes, DHCS now requires an amendment to the existing Agreement to expire June 30, 2017 and the new recommended agreement to begin effective July 1, 2017. The State made this decision late in FY 2017-18, therefore, requiring retroactive recommended actions to your Board.

The recommended agreement includes new changes and responsibilities for the Fresno County Mental Health Plan under the Final Rule, which include, but are not limited to, the following areas: access to care, network adequacy, timeliness to service, processing of grievances and disputes, integrity requirements, compliance, termination clauses, out of county placement documentation, and HIPAA requirements.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was made aware of the recommended Agreement at its August 15, 2018 meeting.

REFERENCE MATERIAL:

BAI #46, May 21, 2013

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment with DHCS #12-89362-A01  
On file with Clerk - Agreement with DHCS #17-94581

CAO ANALYST:

Ronald W. Alexander, Jr.