



# County of Fresno

Hall of Records, Rm. 301  
2281 Tulare Street  
Fresno, California  
93721-2198

## Legislation Text

---

**File #:** 23-0184, **Version:** 1

---

**DATE:** May 23, 2023

**TO:** Board of Supervisors

**SUBMITTED BY:** Susan Holt, 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 the Board, effective July 1, 2023 through June 30, 2026.**
- 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 the Board, effective July 1, 2023 through June 30, 2026.**

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 the 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 the 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 2023-24 Requested Budget and future budgets for the duration of the term.

DISCUSSION:

On October 11, 2022, the Board approved Agreement No. 22-452 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 23, 2020, 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 continuing the expansion made to the process in 2017 (BAI # 35, June 23, 2020). The process allows ISD - Purchasing to approve expedited invoice payment for non-contracted mental health providers and non-contracted psychiatric inpatient hospitals submitted by the Department, without exceeding the Purchasing Manager's limit of \$200,000 per provider or hospital, as established by the 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 mental health 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 2020-21 was \$748 with a total annual cost of \$27,665, for all non-contracted mental health providers paid.
- The average cost per non-contracted mental health provider in FY 2021-22 was \$1,004, with a total annual cost of \$8,029, for all non-contracted mental health providers paid.
- The average cost per non-contracted mental health provider in FY 2022-23 (July 1, 2022 through February 2023) is \$1,437, with a total year to date cost of \$4,312 for all non-contracted mental health providers paid to date.
- The average cost per non-contracted psychiatric inpatient hospital in FY 2020-21 was \$14,875, with a maximum annual cost of \$118,999 for all non-contracted psychiatric inpatient hospitals paid.
- The average cost per non-contracted psychiatric inpatient hospital in FY 2021-22 was \$64,191, with a maximum annual cost of \$320,954 for all non-contracted psychiatric inpatient hospitals paid.
- The average cost per non-contracted psychiatric inpatient hospital in FY 2022-23 (July 1, 2022 through

February 2023) is \$31,568, with a maximum cost of \$126,270 for all non-contracted psychiatric inpatient hospitals paid to date.

Non-contracted psychiatric inpatient hospital billing has decreased from FY 2021-22 as more hospitals have signed on to agreements that have reduced the need to use this established process. Non-contracted mental health provider billing has also decreased from FY 2020-21, due in part to increased documentation requirements placed upon providers by the County. The requirements were established to ensure that these claims will meet the documentation standards established by DHCS. This has resulted in fewer claims being payable in the short term, as providers adjust. The Department expects that non-contracted mental health provider billing will eventually return to historical levels once provider compliance improves.

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 (BAI # 33, June 23, 2020). 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 Department's Master Agreement for Inpatient Psychiatric Hospital Services for the Fresno County MHP (BAI # 23, October 11, 2022). The recommended actions are effective during FY 2023-24 through FY 2025-26.

REFERENCE MATERIAL:

BAI #23, October 11, 2022  
BAI #33, June 23, 2020  
BAI #35, June 23, 2020

CAO ANALYST:

Ronald Alexander