



# Board Agenda Item 28

DATE: June 2, 2026

TO: Board of Supervisors

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

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

RECOMMENDED ACTION(S):

- 1. Authorize the General Services Department Purchasing Manager, or designee (Director Department of Behavioral Health, Division Manager Crisis Care Continuum), to continue approving payment to behavioral 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 General Services Department Purchasing Manager's limit, as established by the Board, effective July 1, 2026 through June 30, 2029; and**
- 2. Authorize the General Services Department Purchasing Manager, or designee (Director Department of Behavioral Health, Division Manager Crisis Care Continuum), 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 General Services Department Purchasing Manager's limit, as established by the Board, effective July 1, 2026 through June 30, 2029.**

The Department of Behavioral Health, in its role as the County Behavioral Health Plan (BHP), is obligated to reimburse non-contracted behavioral 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 behavioral 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 behavioral 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 General Services Department - Purchasing Division (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 behavioral 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 2026-27 Recommended 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 behavioral health services provided within or outside of the County and reimbursement to behavioral health providers and psychiatric inpatient hospitals for services provided to beneficiaries, per Title 9.

On January 7, 2025, your Board approved Agreement No. 25-008 (State agreement No. 24-40134) with DHCS, establishing the Department as the Behavioral Health Plan (BHP) for the County's Medi-Cal and Drug Medi-Cal Organized Delivery System persons served. This agreement continues the responsibilities discussed above for inpatient psychiatric hospital services.

On May 23, 2023, the Board approved the continuation of the inter-departmental process implemented in 2002 by the Department, Internal Services Department - Purchasing (ISD - Purchasing), and the Auditor-Controller/Treasurer-Tax Collector, as well as continuing the expansion made to the process in 2017 (BAI # 28, May 23, 2023). The process allows ISD - Purchasing to approve expedited invoice payment for non-contracted behavioral health providers and non-contracted psychiatric inpatient hospitals submitted by the Department, without exceeding the ISD - Purchasing Manager's limit of \$200,000 per provider or hospital, as established by the Board in the Purchasing Manual. Per Department policy, the behavioral 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 behavioral health service access to County Medi-Cal beneficiaries. Any interruption or slowdown of the payment process may result in a reduction in 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' behavioral health care. Although the BHP has contracts with behavioral health providers and psychiatric inpatient hospitals within and outside of the County, there are instances where beneficiaries receive services from a behavioral health provider or psychiatric inpatient hospital that do not have a contract with the BHP. The Department utilizes the BAI to reimburse for services while completing contract negotiations. Purchasing was consulted and concurs with the recommended actions.

Out-of-county non-contracted behavioral health providers will be paid at the same rate as other fee-for-service contracted behavioral 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 behavioral health provider in FY 2023-24 was \$6,113 with a total annual cost of \$79,473, for all non-contracted behavioral health providers paid.
- The average cost per non-contracted behavioral health provider in FY 2024-25 was \$9,169, with a

- total annual cost of \$110,025, for all non-contracted behavioral health providers paid.
- The average cost per non-contracted behavioral health provider in FY 2025-26 (July 1, 2025 through March 27, 2026) is \$2,485, with a total year to date cost of \$19,880 for all non-contracted behavioral health providers paid to date.
  - The average cost per non-contracted psychiatric inpatient hospital in FY 2023-24 was \$53,544, with a maximum annual cost of \$214,174 for all non-contracted psychiatric inpatient hospitals paid.
  - The average cost per non-contracted psychiatric inpatient hospital in FY 2024-25 was \$60,684, with a maximum annual cost of \$242,737 for all non-contracted psychiatric inpatient hospitals paid.
  - The average cost per non-contracted psychiatric inpatient hospital in FY 2025-26 (July 1, 2025 through March 27, 2026) is \$26,449, with a maximum cost of \$79,348 for all non-contracted psychiatric inpatient hospitals paid to date.

Approval of the recommended actions would authorize the continuation of the payment process within the General Services Department (GSD) Purchasing Manager's maximum authority limit of \$200,000 per non-contracted behavioral 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 behavioral health provider that exceeds the GSD Purchasing Manager's limit will be required to contract with the County.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board will be notified of the items at the June meeting.

REFERENCE MATERIAL:

BAI #18, January 7, 2025  
BAI #28, May 23, 2023  
BAI #23, October 11, 2022

CAO ANALYST:

Ronald Alexander