



# Board Agenda Item 44

DATE: June 24, 2025

TO: Board of Supervisors

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

SUBJECT: Amendments No. 1 and No. 2 to Participation Agreement No. 22-270 with the California Mental Health Services Authority

## RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute Amendment No. 1 to the Participation Agreement No. 22-270 with California Mental Health Services Authority, to revise the Agreement's contingency funding, authorize additional purchases within the scope of the agreement, and authorize specific analytic program offering purchases, effective upon execution, with no change to the term of July 1, 2022, through March 18, 2029, or compensation maximum of \$10,806,504; and**
2. **Approve and authorize the Chairman to execute retroactive Amendment No. 2 to the Participation Agreement No. 22-270 with California Mental Health Services Authority, to revise the Agreement to allow for payment of required excess user and license fees, effective January 1, 2025, with no change to the term of July 1, 2022, through March 18, 2029, or compensation maximum of \$10,806,504.**

Approval of the first recommended action will allow the Department of Behavioral Health to effectively and efficiently use existing funding for the Department's continued participation in the Semi-Statewide Electronic Health Records (EHR) program and will also allow for previously unexpended funding to be used for policy development, external quality review organizations (EQRO) audit preparation, chart review tools and coaching, and enhanced analytics (Protected Health Information dashboards) programs associated with the EHR program. Approval of the second recommended action will allow the Department to pay invoices for new required license fees that are retroactive to January 2025. This item is countywide.

## ALTERNATIVE ACTION(S):

Should your Board not approve the first recommended action, the Department will not be able to purchase the Quality Assurance/Quality Improvement Analytics Program Offerings that are associated with the Department's ongoing implementation of the EHR program. Should your Board not approve the second recommended action, the Department will be unable to pay invoices for new required license fees. The Department's ongoing implementation of the EHR program may be disrupted. The Department may also have to significantly reduce the number of contracted providers being set up to use the EHR program and may not be able to purchase program offerings, enhancements or new components for the EHR as needed. This will have a negative impact on the Department's ability to collect revenue generated by its contracted providers.

## RETROACTIVE AGREEMENT:

The recommended Amendment No. 2 is retroactive to January 1, 2025, because the existing Participation

Agreement has no provision for paying new license fees required for use of the American Medical Association's (AMA) Current Procedural Terminology (CPT) codes. The Department was only informed of the requirement for these new fees in January 2025, and the Amendment was not provided to the Department by CalMHSA for execution until March 2025, requiring this Amendment to be retroactive. According to the AMA, the EHR program (and through it, the Department and the County of Fresno) made use of the AMA's CPT codes without a proper license during the prior year, 2024. The EHR vendor, Streamline Healthcare Solutions, negotiated with the AMA to prevent any retroactive license fees for usage prior to January 2025, however, the new required license fees are effective January 1, 2025 and will be invoiced after execution of this amendment.

#### FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. There is no change to the compensation maximum of \$10,806,504. Services are funded with Federal Financial Participation (FFP), Realignment, and Mental Health Services Act- Admin funds. Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2024-25 Adopted Budget and will be included in subsequent budget requests for the remainder of the term.

#### DISCUSSION:

On September 14, 2010, the Board executed Joint Powers Agreement (JPA) No. 10-489 with California counties to implement statewide projects through the California Mental Health Services Authority (CalMHSA), pursuant to Welfare and Institutions Code, section 5897. The JPA allowed CalMHSA to increase cost efficiency and deliver administrative services for California counties. The County can choose to participate in CalMHSA activities, such as the EHR Program.

On September 21, 2021, the Board approved a Participation Agreement No. 21-378 with CalMHSA to develop and manage a Request for Proposals for EHR services on behalf of the County. Streamline Healthcare Solutions, the EHR vendor, was selected based on demonstrated experience and resources to provide a web-based enterprise application (SmartCare) designed for clinical best practices, to meet state objectives, and the operational needs of California county-based behavioral health systems.

On June 21, 2022, the Board approved a Participation Agreement No. 22-270 with CalMHSA to allow the County to participate with CalMHSA to establish a Semi-Statewide California-centric enterprise solution for an electronic health record (EHR). The EHR has been established and has been operational for over a year.

The recommended Amendment No. 1 will enable the Department to use existing funding towards policy development, EQRO audit preparation, chart review tools and coaching, and enhanced analytics (Protected Health Information dashboards) programs associated with the EHR program. These additional component purchases total \$297,385, which will be covered by the Agreement's remaining unallocated funds (previously known as the "contingency funds".)

The recommended Amendment No. 1 also revises Exhibit B, Section V, Fiscal Provisions, explicitly authorizing the Department to utilize unallocated program funds within the approved Maximum Funding amount for the purchase of additional components, modules, and/or implementations needed to expand use of the EHR as necessary. Any such purchase shall require the use of an Order Form (attached as Exhibit E of Amendment No. 1) signed by the Department Head. The recommended Amendment No. 1 also revises Exhibit D - Participant Contingency Budget, to remove it and all references to Exhibit D, Contingency Funds or Contingency budget throughout the Agreement, in support of the changes to Exhibit B, Section V.

The recommended retroactive Amendment No. 2 addresses the new required licensing fees for the AMA's CPT codes used within the EHR. The Department will be invoiced quarterly by CalMHSA for its CPT code use, effective January 2025. CalMHSA will then forward payment to the AMA. The licensing fees are based on the number of EHR program users who have a National Provider Identifier number. The licensing fees will

be paid using the Agreement's remaining unallocated funds.

The recommended retroactive Amendment No. 2 also adds new program terms relating to excess EHR user subscription fees which were not detailed in the current Agreement. The current Agreement states that "Each payment is subject to variance based on several factors, including but not limited to the total number of Participants, total number of subscriptions/users, the implementation phase selected, the total development cost, and annual CPI Increase.", but does not specify exact costs per excess user.

The recommended Amendments No. 1 and No. 2 to the agreement vary from the standard county template as they were drafted by CalMHSA and are utilized by CalMHSA to execute Participation Agreements with different counties and are consistent statewide.

The Department thought it best to create two amendments in this case to organize the changes to the Participation Agreement by effective date. Agreement changes taking effect upon execution have been placed into Amendment No. 1, and changes taking effect retroactively have been placed into Amendment No. 2.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was made aware of the recommended amendments during the June 2025 meeting.

REFERENCE MATERIAL:

BAI #50, June 21, 2022

BAI #30, September 21, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Participation Agreement No. 22-270 with CalMHSA

On file with Clerk - Amendment No. 2 to Participation Agreement No. 22-270 with CalMHSA

CAO ANALYST:

Ronald Alexander