



Board Agenda Item 35

DATE: January 27, 2026

TO: Board of Supervisors

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

SUBJECT: Retroactive Agreement with County of Santa Cruz - Mental Health-Based Medi-Cal Administrative Activities Agreement

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a retroactive Mental Health-Based Medi-Cal Administrative Activities Agreement with the County of Santa Cruz to allow member participation effective July 1, 2025, through June 30, 2028.

There is no additional Net County Cost associated with the recommended action. The recommended action will allow the Department to retain membership as part of the Mental Health-Based Medi-Cal Administrative Activities (MHMAA) Local Government Agency (LGA) Consortium. The County of Santa Cruz (Host Entity) acts as the administrative and fiscal intermediary between the California Department of Health Care Services (DHCS) and all participating LGAs. Some duties of the Host Entity include maintaining an interest-bearing trust fund for the Consortium participation fees, managing of contracts and providing quarterly revenue and expenditure reports on behalf of the Consortium. As a member of the Consortium, the Department's duties are to pay their portion of the Participation Fee and process all their MHMAA claims for reimbursements. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the Department can continue MHMAA claiming but will have to devote additional time and resources into the planning and overall execution of its MHMAA claim plan and fees, as well as lose access to the resource of other participating counties in the Consortium.

RETROACTIVE AGREEMENT:

The recommended Agreement is retroactive to July 1, 2025. This item is being brought to your Board retroactively due to a routing delay. The Department has updated contact information with the Host Entity and has implemented escalation procedures to ensure timely processing of future notifications.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. There is no contract maximum with this agreement as the annual participation fee will be dependent on the actual MHMAA revenue received from DHCS during the prior fiscal year and will be funded with Realignment. To date, the fee has not exceeded \$4,300 per year since the Department's implementation of claiming MHMAA. Sufficient appropriations and estimated revenues are included in the Department of Behavioral Health's Org 5630 FY 2025-2026 Adopted Budget and will be included in future budget requests for the duration of the

term of the Agreement.

DISCUSSION:

The MHMAA LGA Consortium provides a coordinated structure for counties to participate in statewide claiming, reporting, and compliance activities. As part of the Consortium, the County benefits from centralized fiscal oversight, uniform claiming processes, and collective advocacy on regulatory issues.

The County of Santa Cruz serves as the Host Entity for the Consortium and is responsible for managing participation fees, administering contracts, and providing quarterly financial reporting to participating LGAs. This structure reduces administrative burden on individual counties and ensures consistent fiscal management across the Consortium.

For the Department, participation requires payment of its share of the annual Participation Fee and continued processing of its MHMAA claims for reimbursement. Maintaining membership supports the Department's ability to claim eligible Federal reimbursement and ensures compliance with State and Federal requirements.

This action supports the Department's ongoing efforts to maximize Federal revenue, maintain program integrity, and participate in statewide collaborative structures that strengthen local behavioral health administration.

The Agreement varies from the standard County template as this is an agreement from the County of Santa Cruz. The Agreement includes mutual indemnification language, and each party will be responsible for providing its own insurance coverage. The Department has determined the benefits of this Agreement as written outweigh any potential risks and recommends approval.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended Agreement during the January 2026 meeting.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with County of Santa Cruz

CAO ANALYST:

Ron Alexander