

County of Santa Clara
Behavioral Health Services Department



24-5330

DATE: April 16, 2024 (Item No. {{item.number}})
TO: Board of Supervisors
FROM: Sherri Terao, Director of Behavioral Health
SUBJECT: Delegation of Authority for Fee-For-Service Providers

RECOMMENDED ACTION

Adopt Resolution delegating authority to the County Executive, or designee, to negotiate, execute, amend, or terminate fee-for-services agreements with various providers to provide medically necessary inpatient and limited outpatient services in an amount not to exceed \$1,000,000 per fiscal year for July 1, 2024 through June 30, 2029, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on June 30, 2029. (LA-1)

FISCAL IMPLICATIONS

Approval of the recommendation would have no net impact to the County General Fund. The Behavioral Health Services Department's (BHSD) Fiscal Year (FY) 2024-2025 Board Recommended Budget includes appropriation for the Fee-for-Service (FFS) contracts. Services are provided under contracts leveraged State Managed Care and Federal Medi-Cal funding, and FFS providers are reimbursed based on the number of Medi-Cal beneficiaries seen on an annual basis. The \$1,000,000 per FY estimate is based on prior year utilization of these services.

BHSD closely monitors its FFS Agreements. Contracting with Medi-Cal certified FFS providers are cost effective for the County. The State has mandated that all counties are required to pay for these physicians' services in a psychiatric hospital if the dates of service meet the criteria for medical necessity. Medi-Cal funding can be leveraged by contracting with FFS providers, which would offset the cost instead of using the County's General Fund for one-time reimbursements.

REASONS FOR RECOMMENDATION AND BACKGROUND

BHSD is the administrator of the Santa Clara County Mental Health Plan and must ensure provisions of specialty mental health services to eligible Medi-Cal beneficiaries. As a result,

BHSD shall maintain and monitor a network of appropriate FFS providers that is sufficient to provide adequate access to all mental health services.

The FFS providers covered under this Delegation of Authority (DOA) are doctors working under their own practices, provider groups, or hospitals. Once a qualified Medi-Cal beneficiary is seen, the FFS practitioner submits a reimbursement claim to the BHSD. It is during this initial payment process that the doctor is asked to become a member of the BHSD FFS network. The doctor's insurance, license, and credentials are then verified prior to the development of a FFS contract. These contracts are primarily with private providers who see Santa Clara County Medi-Cal beneficiaries on an emergency basis often in other parts of California while the beneficiaries are traveling, away for college, or have temporarily relocated. The FFS contracts cover services in outpatient and inpatient settings.

Approval of the recommended action would streamline the FFS process and ensure timely access to specialty psychiatric services. In addition, it would also save administrative time and costs for both the BHSD and the Procurement Department in providing state mandated reimbursement for these critical services.

CHILD IMPACT

The recommended action would have a positive impact on children and youth by continuing the provision of urgent mental health services and approved specialty treatments for children and youth Medi-Cal beneficiaries with mental illness.

SENIOR IMPACT

The recommended action would have a positive impact on seniors by continuing the provision of urgent mental health services and approved specialty treatments for older adult Medi-Cal beneficiaries with mental illness.

SUSTAINABILITY IMPLICATIONS

The recommended action balances public policy and program interests and enhances the Board of Supervisors' sustainability goal of social equity and safety by providing psychiatric care to Santa Clara County residents and timely reimbursement for FFS providers.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the recommended action may impact BHSD's ability to execute Agreements with FFS providers in a timely manner, impacting the ability to provide Medi-Cal beneficiaries with specialty psychiatric care or cause delays in payment for services rendered.

STEPS FOLLOWING APPROVAL

Priority processing is requested for this DOA to ensure timely execution of contracts to provide reimbursement for services provided. Upon approval, the Clerk of the Board is

requested to send email notifications to Jason Truchon (Jason.Truchon@hhs.sccgov.org), Angeleah Macatiag (Angeleah.Macatiag@hhs.sccgov.org), Evonne Lai (Evonne.Lai@hhs.sccgov.org), and Earl Ong (Earl.Ong@hhs.sccgov.org).

ATTACHMENTS:

- FFS DOA Resolution