

County of Santa Clara
Behavioral Health Services Department



23-1730

DATE: January 23, 2024
TO: Board of Supervisors
FROM: Sherri Terao, Director, Behavioral Health Services Department
SUBJECT: Second Amendment to Agreement with CBIZ Optumas

RECOMMENDED ACTION

Approve Second Amendment to Agreement with CBIZ Optumas relating to providing consultation support and technical assistance, increasing the maximum contract amount by \$295,915 from \$160,200 to \$456,115 with no change to the term of the Agreement, that has been reviewed and approved by County Counsel as to form and legality.

FISCAL IMPLICATIONS

Approval of the recommended action would have no net impact on County General Fund. Services under this Agreement and Amendment are funded through the California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Quality Improvement Program (BHQIP) funds and are included in the Behavioral Health Services Department's (BHSD) Fiscal Year (FY) 2023-2024 Adopted Budget.

CONTRACT HISTORY

On November 30, 2023, the Procurement Department (Procurement) approved a single source exception to competitive procurement for CBIZ Optumas (Optumas).

On December 13, 2023, Procurement approved a retroactive Agreement with Optumas in an amount not to exceed \$160,200, from December 1, 2023, through June 30, 2024, to provide consultation services to help BHSD assess the progress of County Contracted Providers (CCPs) as they transition to a fee-for-service payment model under CalAIM.

On December 22, 2023, Procurement approved the First Amendment to include a Business Associate Agreement (BAA) and amend the scope of work to include BHSD County Clinics

Approved 1/23/2024

with no change to the maximum contract amount and with no change to the terms of the agreement.

REASONS FOR RECOMMENDATION AND BACKGROUND

The County's agreement with Optumas would be amended to provide two additional services. First, Optumas would assist BHSD and Santa Clara Valley Healthcare (SCVH) Finance staff in assessing the current fee-for-service rate structure for CCPs. Optumas would support BHSD by collecting and analyzing CCPs' financial data and modeling rate structures against strategic objectives, programmatic goals, and operational constraints. Furthermore, the data would be used to assess the financial performance of CCPs and develop a standardized process by which to evaluate them. This process would include input from individual CCPs and the Behavioral Health Contractors' Association (BHCA).

Second, Optumas would provide technical assistance to CCPs, helping them with review of their operations, overhead, administrative structure, and financial management capabilities to identify opportunities for improvement. Optumas consultants would be available on an as-needed basis to provide no-cost technical assistance to CCPs. Technical assistance services would include site visits by the Optumas team at the invitation of a CCP to help review their operational and administrative processes, intake and service planning, process maps, staffing levels, financial management, and any other relevant issues to determine opportunities for improvement. The review would also compare best practices in the field and focus on cost reduction and maximization of revenue.

Optumas would also provide CCPs with recommendations, if appropriate, for improving efficiency, promoting increased access to care, improving fiscal oversight and responsibility, becoming more competitive, and reaching better outcomes in sustaining service delivery and financial health. Recommendations may also include strategies for streamlining and coordination of services, operational restructuring to prevent service disruption, improving the skills of the workforce, using technology more effectively, and responding to innovation more quickly.

Optumas' consultative services to the County and the CCPs would help establish a more sustainable and robust provider network in Santa Clara County.

Background

In 2023, the State of California Department of Health Care Services (DHCS) implemented changes through CalAIM payment reform across the Medi-Cal program to improve the quality of life and health outcomes for California's most vulnerable residents, including homelessness, behavioral health care access, and justice involved populations who have significant clinical needs. Under the CalAIM payment reform framework, DHCS has transitioned from a cost-based reimbursement system to an FFS system on July 1, 2023.

CHILD IMPACT

The recommended action will have a positive impact on children by providing technical assistance and rate setting services to help maintain access to critical services for this target population.

SENIOR IMPACT

The recommended action will have a positive impact on seniors by providing technical assistance and rate setting services to help maintain access to critical services for this target population.

SUSTAINABILITY IMPLICATIONS

The recommended action will balance public policy and program interests and enhances the Board of Supervisors' sustainability goals of social equity and safety by ensuring that payment rates provide sufficient funding to operate programs within the FFS service billing system and establish a more sustainable, higher performing provider network to serve county residents.

CONSEQUENCES OF NEGATIVE ACTION

Optumas would not be available to assist BHSD and SCVH staff in analyzing CCPs' transition to fee-for-service and the current rate structure. Without the additional capabilities of the consultants, BHSD and SCVH Finance would seek other consultants or temporary staff to assist with this time-sensitive project.

STEPS FOLLOWING APPROVAL

Priority processing is requested for the Amendment to ensure timely provision of consultation support to BHSD and technical assistance availability for CCPs. Upon approval, please send e-mail notifications to Evonne Lai (Evonne.Lai@hhs.sccgov.org), Amanda Vierra (Amanda.Vierra@hhs.sccgov.org), Angeleah Macatiag (Angeleah.Macatiag@hhs.sccgov.org), Earl Ong (Earl.Ong@hhs.sccgov.org), and Mayra Moreno (Mayra.Moreno@hhs.sccgov.org).

ATTACHMENTS:

- Amendment 2 – CBIZ Optumas – FY 2024 for BOS Signature
- Agreement - Amendment 1 - CBIZ Optumas FY 2024
- Approved Single Source Justification CBIZ Optumas