

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Children's System of Care

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
C. B. Bautista, Director of Children's System of Care

DATE: September 12, 2006

SUBJECT: Approve an Umbrella Contract for Payment of SOC Mental Health Private Network Providers, FY2006-07

ACTION REQUESTED:

Approve an umbrella contract to facilitate payment to Systems of Care (SOC) mental health private network providers, authorize the Auditor's Office to establish a payment ceiling in an amount not to exceed \$850,000, and authorize Health and Human Services to amend the list of providers as necessary for the period from July 1, 2006 through June 30, 2007.

BACKGROUND:

In 1994, the State of California consolidated psychiatric services funded by Medi-Cal Fee for Service with California Short-Doyle/Medi-Cal Mental Health Services under a managed care plan. Counties were given the authority, through contract with the state, to establish a Behavioral Health Private Provider Network to provide mental health specialty services to eligible clients or beneficiaries. In 1997, the Board approved entering into a contract with the State of California for Mental Health Managed Care services, and authorized the Director of Health and Human Services to execute provider agreements for this program.

In FY2003-04, your Board approved the creation of an "umbrella contract" to facilitate payment to Systems of Care (SOC) network providers. The action to create an "umbrella contract" was due to the implementation of the Performance Accounting System, which consolidated previously separate billing and payment functions for these services and would have required separate contract agreements for each of approximately 200 private providers. The "umbrella contract" concept allows multiple provider agreements to be tied to one aggregate total contract amount controlled through the Performance Accounting System and offers the County the flexibility to use the most appropriate credentialed network provider available at the time that services are needed, within the funding limits authorized by the Board. It is also requested that HHS be authorized to update the network provider list throughout the year as additional provider credentialing is approved.

Expenditures for FY2005-06 were approximately \$800,000. The budgeted amount of \$850,000 provides outpatient behavioral health treatment at an average cost of \$49.80/hour. It is estimated that approximately 420 children and 400 adults will receive services through this program on an annual basis, based upon FY 05-06 utilization. Payments are made to the providers only upon utilization of that provider. Behavioral Health Managed Care screens and enrolls all interested and qualified providers of these services.

Presentation of this item to your Board was delayed while a provider rate increase was under consideration by HHS directors. In view of the current budget status, it was determined that rates would remain unchanged for the upcoming year.

FISCAL IMPACT:

These services are budgeted in the Adult System of Care budget in the amount of \$250,000, and in the Children's System of Care budget in the amount of \$600,000. Funds are derived from State and Federal Medi-Cal funding sources (\$345,000), State CalWORKs Mental Health and Substance Abuse (\$60,000), State and Federal CWS funding sources (\$120,000), Realignment and County General Funds (\$325,000).

