

**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
Richard S. Knecht, M.S., Director of Children's System of Care

DATE: June 10, 2008

SUBJECT: Umbrella Contract for Payment of SOC Mental Health Private Network Providers

ACTION REQUESTED:

Approve a maximum payment authorization ("umbrella contract") to facilitate payment to Systems of Care (SOC) mental health private network providers, authorize the Auditor-Controller's Office to establish a payment ceiling in an amount not to exceed \$1,000,000, and authorize Health and Human Services to amend the list of providers as necessary for the period from July 1, 2008 through June 30, 2009. The required match for these services includes \$266,000 in County General Funds.

BACKGROUND:

This agreement, authorized by the state under 1997 Medi-Cal managed care planning regulations, allowed Placer's Systems of Care to contract with private providers, to deliver mandated counseling, therapy and associated mental health services to nearly 1,800 clients last year. When delivered in an effective and timely way, these outpatient services help prevent the need for more costly hospitalization and residential care.

HHS has thorough eligibility, treatment authorization, and quality assurance processes that ensure services are limited to those mandated by state and federal regulations. Under 2008-09 projected budgetary planning, the department anticipates further reductions in this service area, limiting these services to persons with more serious need. These stringent cost control measures will allow the County to provide these crucial mandates within the budgeted amount of \$1,000,000, providing outpatient behavioral health treatment at an average cost of \$49.80/hour.

FISCAL IMPACT:

Expenditures under this contract have been budgeted in the amount of \$1,000,000 based on historical usage and future projections. This represents a decrease of \$100,000 (9.1%) over last year's contract amount. The required match for these services will total approximately \$116,000 in realignment and \$266,000 in County General Funds, effectively drawing down a state and federal allocation of \$618,000. These expenditures are appropriately budgeted in the FY2008-09 Proposed Budget.

