

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Medical Clinics**

TO: Honorable Board of Supervisors

FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services
Maureen F. Bauman, Director of Adult System of Care/Medical Clinics

DATE: April 22, 2014

SUBJECT: Contracts for Medical Care Services Program and Authorization to Pay Outstanding Invoices

ACTION REQUESTED:

1. Approve the following agreements to provide primary medical care, dental care and mental health services to persons eligible for the Placer County Medical Care Services Program (MCSP) for the period of January 1, 2014 through June 30, 2015 and authorize the Director of Health and Human Services to sign the resulting contracts and subsequent amendments up to 10 percent of the original contract amounts, consistent with the agreements' subject matter and scope of work:
 - a. Chapa-De Indian Health Services for primary medical care services in an amount not to exceed \$80,000 (100 percent budgeted net County cost),
 - b. Chapa-De Indian Health Services for dental services in an amount not to exceed \$40,000 (100 percent budgeted net County cost) and authorize the Director of Health and Human Services or his designee to authorize provision of a non Denti-Cal service and negotiate and authorize the rate of such services within this contracted amount, and
 - c. WellSpace Health for primary medical care and mental health services in an amount not to exceed \$40,000 (100 percent budgeted net County cost).
2. Approve payment of invoices of up to \$150,000 (no net County cost) that exceeded the total contractual obligation provision contained in agreement CN013194 with Chapa-De Indian Health Services to provide primary care medical and mental health services to persons eligible for MCSP and the Placer County Medicaid Expansion Program (MCE) July 2012 through December 2013. This approval is effective in lieu of and has the same force and effect as a retroactive contract amendment.

BACKGROUND:

On July 24, 2012, Placer County implemented the MCE program (early implementation of the Affordable Care Act). As part of the MCE program, the County signed agreements with Chapa-De Indian Health Program, Inc. and WellSpace Health to provide primary medical care and dental care services. The program allowed Placer County to provide services to persons eligible for the County-funded Medical Care Services Program (MCSP) with Federal dollars matched by County General Funds. This implementation allowed Placer County to maximize Federal funding for services that were previously funded in total with County General Funds. In addition, those persons who received services through the implementation of health care reform (approximately 4,000 individuals in Placer County) were transferred to the Medi-Cal Program on January 1, 2014, and are now being served though State and Federal dollars with no County General Funds.

The Chapa-De services exceeded the anticipated amount identified in the original contract. Although this contract exceeded the amount projected, the contract with WellSpace Health for MCE services was under expended by this same amount. These under-expended dollars will fund the payment of the outstanding Chapa-De invoices. The additional cost of the MCE program for services provided by Chapa-De are available with no increase of County General Funds and are funded 100 percent with Federal funding.

Prior to this time, Placer County Medical Clinics were the only providers of medical services to the MCSP population, and the Placer County Medical Clinic in Tahoe and Chapa-De in Auburn provided dental services to this population. However, with new and existing providers serving an increasing number of Medi-Cal recipients, it was determined that it would make sense to also allow Chapa-De and WellSpaceHealth to provide necessary medical services to those eligible for the MCSP program, when appropriate. The dental services will remain the same. In addition, health providers are now required to provide mental health services to persons as part of their primary care under the Affordable Care Act (ACA), and so this service has been included in these contracts as necessary.

The MCSP Program has been reduced significantly as a result of the ACA. In the next year, the numbers are expected to continue to stay low, but will be tracked carefully as we have not operated the MCSP program previously in this new period of health care reform. However, it is expected that these contracts will be more than adequate to meet the demands of this small population for medical, dental and mental health services appropriate for primary care.

FISCAL IMPACT:

Additional expenditures of \$150,000 in the current fiscal year will be funded by shifting revenue between contracts with no overall increase. The new contracts for MCSP in the amount of \$60,000 (100 percent net County cost), are included in the Department's FY 2013-14 Final Budget. The proposed expenditure of County General Funds in the amount of \$100,000 is included in the Department's Requested FY 2014-15 Budget.

These contracts are on file with the Clerk of the Board for review.