

COUNTY OF EL DORADO

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April 5, 2022

Ms. Keely Bosler
Director, California Department of Finance
1021 O Street, Suite 3110
Sacramento, CA 95814

RE: Request to Forgive Proposed County Behavioral Health Recoupments

Dear Director Bosler:

I am writing on behalf of the County of El Dorado, respectfully requesting your forgiveness of the pending recoupment for Medi-Cal behavioral health services claims.

In January 2022, El Dorado County was notified by the Department of Health Care Services (DHCS) of a pending recoupment in the amount of \$1,712,032.82. This amount includes recoupment due to a 2018 federal Office of Inspector General (OIG) audit, recoupment related to old psychiatric inpatient hospital claims, and recoupment for services rendered by El Dorado County Behavioral Health to individuals who did not qualify for federal financial participation on the basis of their immigration status.

In December 2021, the California State Association of Counties (CSAC) and the County Behavioral Health Directors Association of California (CBHDA), representing all 58 of California's Boards of Supervisors and county Behavioral Health Departments, requested the discharge of the then remaining \$134.5 million repayment from counties incurred due to a 2018 federal Office of Inspector General (OIG) audit.

In the notification issued in January 2022, DHCS provided El Dorado County with detail regarding the state's proposed recoupment for specialty mental health psychiatric inpatient hospital claims, as well as for the recoupment related to services ineligible for federal match due to beneficiaries' immigration status. DHCS stated that both the inpatient hospital claims and the ineligible federal match paid to counties were due to DHCS coding errors.

In February 2022, CSAC and CBHDA issued a joint letter to the California Department of Finance, formally requesting that the state forgive the proposed recoupments in all three categories: 2018 OIG audit, psychiatric inpatient claims errors, and immigration status errors.

A recoupment amount of \$1,712,032.82 would harm the ability of our county's Behavioral Health Division to maintain existing service levels and would likely require significant programmatic and service cuts during a time of increased demand for services due to the COVID-19 public health emergency and the devastating Caldor Fire wildfire, and their resulting impacts on mental health and substance use disorders.

The El Dorado County Behavioral Health Division is facing the need for a significant system investment and transformation due to the California Advancing & Innovating Medi-Cal (CalAIM) initiative and innovative state investments. We are grateful for the state's willingness to invest in core infrastructure and housing for individuals with behavioral health needs, however, service dollars to meet our clients' complex needs remain scarce. Our public behavioral health system relies on squeezing efficiency out of our current funding streams with little additional service funding investment. At present, pandemic impacts on the workforce, along with increased staffing competition from schools, private commercial insurance and new opportunities for private pay practitioners, have drained our workforce and made recruitment more expensive and difficult than ever before.

To close, on behalf of El Dorado County, I respectfully request forgiveness of the 2018 OIG Audit outstanding debt, the psychiatric hospital inpatient claim recoupment, and the state-only claiming error for specialty mental health and drug Medi-Cal.

Sincerely,

Lori Parlin
Chair, Board of Supervisors

- c. Dr. Mark Ghaly, Secretary, California Health and Human Services Agency
Michelle Baass, Director, Department of Health Care Services
Richard Figueroa, Deputy Legislative Secretary, Office of Governor Newsom
Tam Ma, Deputy Legislative Secretary, Office of Governor Newsom
Marko Mijic, Deputy Secretary, California Health and Human Services Agency
Stephanie Welch, Deputy Secretary, California Health and Human Services Agency
Marjorie Swartz, Office of the Senate pro Tempore Atkins
Scott Ogus, Senate Budget and Fiscal Review Committee
Joe Parra, Senate Republican Caucus
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Anthony Archie, Senate Republican Caucus
Agnes Lee, Office of the Assembly Speaker Rendon
Andrea Margolis, Assembly Committee on Budget
Joseph Shinstock, Assembly Republican Caucus
Corey Hashida, LAO