



Legislation Text

File #: 21-0503, **Version:** 1

Health and Human Services Agency recommending the Board:

- 1) Make findings in accordance with County Ordinance 3.13.030 that it is appropriate to contract with MGT of America, LLC, doing business as MGT of America Consulting, LLC for the provision of a comprehensive analysis of Agency rates for the County of El Dorado's Health and Human Services Agency under Agreement 5361 because (B) "Specialty skills and qualifications not expressly identified in classifications are involved in the performance of the work";
- 2) Approve and authorize the Chair to sign Agreement for Services 5361 with MGT of America, LLC, doing business as MGT of America Consulting, LLC, in the amount of \$96,440, for a three (3) year term effective upon final execution; and
- 3) Authorize the Health and Human Services Director, or designee, contingent upon County Counsel and Risk Management approval, to execute further documents relating to Agreement for Services 5361 including amendments which do not increase the maximum dollar amount or term of the Agreement.

FUNDING: General Fund with reimbursement by Health and Human Services Agency state and federally funded programs through an Indirect Cost Rate.

DISCUSSION / BACKGROUND:

Pursuant to a number of Government Codes, the California Constitution, and subject to Board Approval, the Health and Human Services Agency (HHSA) periodically reviews and updates its fee structure through a comprehensive outside review which uses industry standards and current trends for conducting an independent and unbiased actuarial calculation of agency rates. The reason for these periodic reviews and updates is due to the fact that agency fees and rates for each program are governed independently by a number of different state agency policies and/or other methodology that evolves, regularly. For example, the basic calculation of the cost to deliver a particular service alone is not always the standard for establishing what the public will pay as a particular fee. Sometimes, the public rate for services can be based upon other factors, including surrounding counties and their rates, industry trends, and/or state caps on rates. Having a global understanding of industry standards both at the State level and across Counties is critical to ensuring that fees-for-service are based upon standards, are reasonable, and support HHSA requirements as well as the Agency's commitment to fiscal integrity both to the Board and the community. HHSA does not have the administrative staffing with this described extensive knowledge base to prepare a list of fee/rate changes for all HHSA programs in the most fiscally responsible manner.

With the Board's approval and authorization of this agreement, HHSA can ensure that an updated fee analysis can take place. The last, formal review of Agency rates was conducted in 2016, and it is strongly recommended that the Agency conducts an updated analysis periodically. Some of the current areas of interest and specific program areas that will benefit from this effort include but are not limited to:

- 1) The Department of Healthcare Services (DHCS) has not issued an Organized Delivery System (ODS) Cost Report Settlement since FY 2018-19. The Cost Report Settlement determines if

HHSA was over or under reimbursed. HHSA became an ODS provider in FY 2019-20 and needs assistance in determining if the rates being reimbursed by the state are accurate and to ensure we do not have a liability due to the state;

- 2) An independent review of the Indirect Cost Rate and DHCS Administrative Claims is necessary to ensure we are capturing all allowable expenses to maximize reimbursement; and
- 3) Program rates across HHSA programs, such as: Psychiatric Health Facility, Animal Services, Senior Day Care, Public Guardian, and more.

ALTERNATIVES:

Should the Board decline to approve this Agreement, HHSA will continue operating based on the last analysis of Agency rates in 2016.

PRIOR BOARD ACTION:

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT:

Approved by County Counsel, Human Resources, and Risk Management.

CAO RECOMMENDATION:

Approve as recommended.

FINANCIAL IMPACT:

The agreement will be funded in the HHSA Administration and Financial Services Department and included in the Indirect Cost Rate that recovers costs from the seven departments of HHSA. Cost recovery through the Indirect Cost Rate results in the agreement being funded by a mix of state and federal funding, General Fund, and service fees. Sufficient appropriations were included in the Fiscal Year 2021-22 Budget, and will be included in future budgets for the term of the Agreement.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Clerk of the Board to obtain signature of Chair on two (2) original Agreements for Services #5361; and
- 2) Clerk of the Board to return one (1) fully executed Agreement to HHSA Contracts Unit at 3057 Briw Rd, Suite B.

STRATEGIC PLAN COMPONENT:

Good Governance

CONTACT

Don Semon, Director, Health and Human Services Agency