



## Legislation Text

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**File #:** 21-1151, **Version:** 1

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Health and Human Services Agency (HHSA) recommending the Board rescind direction from 2007 directing the use of a standardized rate structure for therapeutic counseling and other associated or like services using the State-approved Drug Medi-Cal fee-for-service rate, and approve HHSA to begin negotiating rates for the purchase of therapeutic counseling and other associated/or like services for clients of the Social Services and Behavioral Health divisions.

**FUNDING:** Various funding, including but may not be limited to Federal Medi-Cal, State General Fund, Federal Title IV-E TANF and IV-B Block Grants, Behavioral Health Realignment, Social Services Realignment, etc.

**DISCUSSION / BACKGROUND:**

On October 2, 2007, (File ID: 07-1474) the Board of Supervisors adopted and approved a standardized rate structure based on the then current State-approved Drug Medi-Cal (DMC) fee-for-service rate as an ongoing benchmark for the purchase of therapeutic counseling and other associated or like services for clients of the Human Services and Public Health Departments (specifically the Alcohol and Drug Program in Public Health). The purpose of the described standardized rate structure was to facilitate a more efficient and cost-effective service delivery system. Additionally, in 2007, the Public Health and Mental Health Departments merged into the Health Services Department, and subsequent to that, the Health Services and Human Services departments merged into the Health and Human Services Agency. Throughout these organizational changes, the various divisions within the Agency have adhered to the Board direction to use the standardized rate structure.

In 2015, the Centers for Medicare and Medicaid Services approved a request from the State of California, Department of Health Care Services (DHCS) to begin a pilot program for participation in the Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver project, which transitioned the provision of Substance Use Disorder (SUD) services to a Medi-Cal based system. This change resulted in negotiated rates with Substance Use Disorder (SUD) vendors. Effective June 1, 2019, the County began participation in the DMC-ODS system via Agreement 18-95146 with DHCS. Since that time, rates for SUD services have been negotiated in accordance with the DMC-ODS project.

Over the past year, the Child Welfare Services (CWS) division of HHSA has received requests from therapeutic counselors for negotiated rates rather than use of the DMC rate structure, stating that the rates were no longer sufficient to cover the cost of services. In addition, there are insufficient providers available in the South Lake Tahoe area to meet the services need in that community.

HHSA is recommending the Board rescind the direction given in 2007 regarding the use of DMC Rates as a standardized rate structure and approve HHSA to negotiate rates with providers on a per contract basis to ensure that adequate and effective contract services can be available to meet the community need. If approved the new direction will allow HHSA to negotiate therapeutic counseling and other like services, as the State-approved DMC rates are no longer used or required for use in other HHSA programs.

**ALTERNATIVES:**

Should the Board decline to rescind the direction to use State-approved DMC rates as the basis for a standardized rate structure for therapeutic counseling and other like services, HHSA CWS division would continue to use the standardized rate structure. This would continue challenges in recruiting providers countywide and in particular in South Lake Tahoe.

**PRIOR BOARD ACTION:**

October 2, 2007, File ID: 07-1474 - Approval of current rate structure

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

N/A

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

There is no Net County Cost associated with this Agenda item. Sufficient appropriations were included in the Fiscal Year 2021-22 budget, and will be included in future budgets as needed for therapeutic counseling agreements.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Clerk of the Board to provide one (1) certified Minute Order to HHSA at 3057 Briw Road, Suite B, Contracts Unit.