



Legislation Text

File #: 21-1360, **Version:** 1

Health and Human Services Agency (HHS) recommending the Board:

- 1) Accept funding from the California Department of Health Care Services up to the maximum amount of \$38,574,276 for the provision of Drug Medi-Cal Organized Delivery System services for a retroactive term covering the period of July 1, 2021 through June 30, 2024;
- 2) Authorize the Chair to sign California Department of Health Care Services funding Agreement 21-10027, Fenix 5929, and associated documents, contingent upon approval by County Counsel and Risk Management;
- 3) Authorize the HHS Director to execute any additional documents or amendments related to Agreement 21-10027, Fenix 5929, that do not increase the maximum amount or term of the agreement, contingent upon approval by County Counsel and Risk Management; and
- 4) Authorize the HHS Director, Chief Assistant Director, or Agency Chief Fiscal Officer to administer any subsequent administrative documents relating to said funding, including required fiscal and programmatic reports.

FUNDING: Federal Medi-Cal, with match funding from State General Fund and 2011 Behavioral Health Realignment.

DISCUSSION / BACKGROUND:

The mission of the Health and Human Services Agency Substance Use Disorder (SUD) Program is to provide an array of evidence-based services designed to prevent and reduce alcoholism and drug addiction through education, prevention, treatment, and counseling services offered directly through the County of El Dorado Behavioral Health SUD Program as well as through contracts with community agencies. Funding for these valuable services has varied over the years; however, since at least 1990, the County of El Dorado has received State and Federal funding through agreements with the State of California Department of Health Care Services (DHCS) to provide SUD treatment services and prevention programs, including Drug Medi-Cal (State and Federal) and Federal Substance Abuse Prevention and Treatment Block Grants (SAPT).

In August 2015, DHCS announced approval of California's Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver amendment which provides a continuum of care for substance use disorder treatment services. The DMC-ODS enables more local control and accountability, provides greater administrative oversight, creates utilization controls to improve care and efficient use of resources, implements evidence based practices in substance abuse treatment, and coordinates with other systems of care. DMC-ODS waiver program participating counties administer, or arrange for substance use disorder treatment for DMC beneficiaries.

On May 23, 2017, the Board authorized the County to "opt in" to the Federal 1115 Waiver for a Drug Medi-Cal Organized Delivery System (DMC Waiver), after which, in August 2017, HHS submitted its DMC-ODS Implementation Plan. With the Board's approval on April 30, 2019 of the first DMC-ODS Waiver Funding Agreement 18-95146, the County moved forward with the DMC-ODS Waiver plan and began contracting with DMC-ODS certified service providers. Agreement 21-10027 is for a renewal of the prior Funding Agreement which will allow for continuation of DMC-ODS services.

On July 6, 2021 HHSA was notified by DHCS that the release of this Agreement 21-10027 would be delayed, and it was not received until August 10, 2021 for a retroactive term beginning July 1, 2021.

ALTERNATIVES:

The Board could decline to accept funding for the Drug Medi-Cal Organized Delivery System program, in which case there would be a significant decrease in Alcohol and Drug services in El Dorado County.

PRIOR BOARD ACTION:

- 1) 17-0525, 05/23/17, Approved participation in the DMC-ODS Waiver plan.
- 2) 19-0027, 01/29/19, Approved MOU with California Health and Wellness for Medi-Cal Managed Care Services (a requirement of the DMC-ODS Waiver).
- 3) 19-0125, 02/06/19, Approved MOU with Anthem Blue Cross for Medi-Cal Managed Care Services (a requirement of the DMC-ODS Waiver).
- 4) 19-0525, 04/30/19, Approved HHSA CA DHCS Agreement 18-95146

OTHER DEPARTMENT / AGENCY INVOLVEMENT:

Approved by County Counsel and Risk Management.

CAO RECOMMENDATION:

It is recommended the Board approve this item. However, the Chief Administrative Office wants the Board to be aware that the Drug Medi-Cal Organized Delivery System is a discretionary program and these services are contributing to the funding challenges within the Behavioral Health Division. As reported in the Fiscal Year 2020-21 Mid Year report with Board item 21-0246, the largest contributing factor to the \$1.3 million revenue shortfall within the Behavioral Health Division was a projected \$1.25 million shortfall in Medi-Cal revenue relative to this program. Based on year end numbers, HHSA is reporting that this program ended Fiscal Year 2020-21 with approximately \$1.33 million in less revenue than originally budgeted at the beginning of Fiscal Year 2020-21, resulting in an additional use of Behavioral Health Realignment fund balance.

The CAO is also recommending that HHSA provide the Board with an update on revenue projections in Fiscal Year 2021-22 no later than January 31, 2022, and that if the revenue shortfalls continue, HHSA and the Board consider all programming options in order to avoid a potential impact to the County's General Fund.

FINANCIAL IMPACT:

There is no Net County Cost associated with this Agenda item. Services provided under the DMC-ODS Waiver will be funded by Federal Financial Participation (FFP) funds that will be matched with State General Fund (SGF) and 2011 Realignment funds. Since many of the individuals in need of these services are in the expanded population enrolled in Medi-Cal, the FFP portion will cover between 90% - 95% of the cost for those individuals. The County has negotiated rates with the State Department of Health Care Services.

2011 Realignment funds would provide the match from the Behavioral Health Subaccount. It should be noted that 2011 Realignment is funded by a dedicated portion of statewide sales tax. As long as statewide sales tax continues to grow, "Growth" dollars are available to be allocated to counties to

ensure that the cost of Federal entitlements are covered. Growth funds are allocated by formula to counties, 50% weighted by approved county claim amounts and 50% weighted toward the County's share of statewide Medi-Cal beneficiaries. Drug Medi-Cal is an entitlement program, which will obligate the County to provide services even if funding declines.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Following Board approval:

- 1) Clerk of the Board to obtain signature of Chair on four (4) original Standard Agreements #21-10027 (Fenix 5929);
- 2) Clerk of the Board to obtain signature of Chair on one (1) CA Civil Rights Certification;
- 3) Clerk of the Board to obtain signature of Chair on one (1) Contractor Certification Clause (CCC);
and
- 4) Clerk of the Board to return signed documents to the Health and Human Services Agency, Contracts Division for further processing. Please email hhsa-contracts@edcgov.us when the documents are ready for pick up.

STRATEGIC PLAN COMPONENT:

County Strategic Plan:

Goal #1 - "Public Safety: Protects the community, prevents crime, enforces the law, administers justice, provides rehabilitative services, and promptly responds to emergency and calls for service."

Goal #5 - "Healthy Communities: Improved health, well-being and self-sufficiency of El Dorado County communities, residents and visitors."

CONTACT

Don Semon, Director