



## Legislation Text

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**File #:** 23-1832, **Version:** 1

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**HEARING** - Health and Human Services Agency (HHS) recommending the Board adopt and authorize the Chair to sign Resolution **168-2023**, to implement an updated Behavioral Health Fee Schedule (Exhibit A) for Medi-Cal eligible services, effective on November 7, 2023, in accordance with the required California Advancing and Innovating Medi-Cal (CalAIM) Act implementation date, thereby replacing Board adopted Resolution 145-2016.

**FUNDING:** Combination of Federal Medi-Cal, State, and local realignment, including State Mental Health Services Act (MHSA) funds, reimbursed to HHS from the California Department of Health Care Services (DHCS) for claims for client services, with the funding percentages dependent upon the beneficiary aide code.

**DISCUSSION / BACKGROUND:**

The DHCS is responsible for developing and administering fiscal policies for the State's Mental Health Programs, including Medi-Cal Specialty Mental Health Services (SMHS), and Drug Medi-Cal (DMC)/Drug Medi-Cal Organized Delivery System (DMC-ODS) Programs (collectively referred to as the Medi-Cal programs). The SMHS program provides mental health services to Medi-Cal beneficiaries who meet medical necessity criteria; and the DMC programs provide Substance Use Disorder (SUD) treatment and expanded SUD treatment services to Medi-Cal beneficiaries who meet medical necessity criteria for those services.

The Mental Health Plan (MHP) in each county is responsible for providing or arranging for the provision of SMHS to local residents that are Medi-Cal beneficiaries. Mandated SMHS programs include outpatient mental health services such as medication therapeutic services, inpatient services such as acute psychiatric hospitalizations, and certain types of residential placements. HHS's Behavioral Health Division (BHD) also contracts with DHCS under the County DMC-ODS Intergovernmental Agreement to provide SUD treatment to Medi-Cal eligible beneficiaries.

Beginning in early 2023, DHCS developed program and payment reform across the Medi-Cal program, called the California Advancing and Innovating Medi-Cal (CalAIM) initiative. CalAIM is a multi-year initiative by DHCS to improve the quality of life and health outcomes of Californians by implementing broad delivery system, program, and payment reform across the Medi-Cal program. Under CalAIM, DHCS will transition counties from a cost-based reimbursement methodology to a fee-for-service reimbursement payment structure. This CalAIM Behavioral Health Payment Reform initiative seeks to move counties away from cost-based reimbursement to better enable Counties and providers to deliver value-based care that improves quality of life for Medi-Cal beneficiaries.

As of July 1, 2023, under the CalAIM payment reform, DHCS will reimburse Mental Health Providers (MHPs) and counties participating in the DMC programs for services rendered to Medi-Cal beneficiaries. On an annual basis, DHCS will publish all SMHS, Adult Residential, and DMC fee reimbursement rates on its website. These posted rates do not include costs incurred by MHPs to administer the SMHS, Residential and DMC Programs or costs incurred by counties to administer these Medi-Cal programs. MHPs and counties administering these programs will receive separate

payments for administrative, utilization review, and quality assurance costs.

The DHCS rate increases allows HHSB BHD to improve provider reimbursements and continue funding non-Medi-Cal reimbursable services. The DHCS rates (Exhibit A) are listed by provider type, and the services are delivered and billed per the DHCS SMHS and DCD-ODS Billing Manuals. Prior rates were based upon service type e.g. individual therapy, medication visit, etc. These DHCS published rates are also used to bill other counties that use the El Dorado County Psychiatric Health Facility.

Due to DHCS' mandate for CalAIM implementations, HHSB BHD is recommending the Board authorize the Chair to execute this Resolution, thereby approving the BHD Fee Schedule rates changes be effective November 7, 2023, which will replace the prior Board adopted rates for these mental health services under Resolution 145-2016 (File ID: 16-0805, Attachment 24). Approval of this item will ensure compliance with all Federal and State requirements and will continue to uphold parameters such as consistency in service delivery expectations, performance measures and outcomes, productivity, and funding.

**ALTERNATIVES:**

Should the Board decline to approve this recommendation, the existing Fee Schedule for Behavioral Health Services established in Resolution 145-2016 would be retained, however, the County would be out of compliance with the DHCS rate changes and the CalAIM payment reform requirements.

**PRIOR BOARD ACTION:**

- 1) 7/1/08, 08-0938, Updated Medi-Cal Service Rates
- 2) 8/26/14, 14-1070, MH Psychiatric Health Facility Rates
- 3) 9/12/17, 16-0805, HHSB Rates Hearing (Resolution 145-2016)

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

County Counsel

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

There is no Net County Cost associated with this item. The Behavioral Health program is funded primarily through State and Federal grants and allocations.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

- 1) Clerk of the Board to obtain signature of Chair on the adopted Resolution; and
- 2) Return one certified copy of the adopted Resolution to the HHSB Contracts Unit at 3057 Briw Road.

**STRATEGIC PLAN COMPONENT:**

Health and Human Services Agency Strategic Plan Goal 2 - Fiscal Responsibility, Objective 2.2.1 - Develop an updated standardized structure for fees, fines, and services.

**CONTACT**

Olivia Byron-Cooper, MPH, Director, Health and Human Services Agency