



Agenda Date: 2/26/2008
Agenda Placement: 7G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Shelli Brobst for Randolph F. Snowden - Director
Health & Human Services
REPORT BY: Shelli Brobst, Contracts Analyst - 253-4720
SUBJECT: Amendments to Agreements for Managed Care Services (Fiscal Year 2007-2008)

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign the following amendments for the provision of additional services in the Mental Health Outpatient Managed Care Program due to an increased number of clients:

1. Amendment No. 2 to Agreement No. 4546 with Susan Schmall, Ph.D., increasing the amount by \$7,500 for a new maximum of \$14,500;
2. Amendment No. 2 to Agreement No. 4548 with Mimi Wolfe, MFT, increasing the amount by \$5,500 for a new maximum of \$15,000; and
3. Amendment No. 2 to Agreement No. 6639 with Joann Hall, MFT, increasing the amount by \$5,000 for a new maximum of \$15,000.

EXECUTIVE SUMMARY

Contractors Dr. Schmall, Ms. Wolfe, and Ms. Hall provide outpatient services to clients of the County's Mental Health Outpatient Managed Care Program, in accordance with the terms of an agreement the County has with the State Department of Mental Health. Approval of the requested amendments will enable these contractors to provide additional services to clients. The cost for the provision of these additional services will be covered within the authorized total managed care budget for Fiscal Year 2007-2008.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Mental Health

Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	Although the agreements terminate June 30, 2008, each of the agreements contains an automatic annual renewal provision, which allows the County the option to continue these services in the following fiscal year, in which event, appropriations will be budgeted accordingly.
Consequences if not approved:	If the requested amendments are not approved, the County will be unable to provide additional mental health outpatient services through these providers, and alternative providers will need to be found to meet client needs.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On April 1, 1998, HHSA implemented the outpatient phase of the Mental Health Managed Care Program, establishing a network of third party providers. The Program is governed by the terms of Agreement No. 4028 with the State Department of Mental Health, regulations promulgated by the federal Medicaid and California Medi-Cal programs, and by a provider operations manual developed by HHSA staff. HHSA bills Medi-Cal for services performed by providers and receives approximately 50% federal reimbursement for those services. Remaining costs are funded by a managed care allocation from the State.

The network of providers includes Psychiatrists, Psychologists, Marriage and Family Therapists (MFTs), Licensed Clinical Social Workers (LCSWs), and Masters-prepared Psychiatric Nurses. Currently, the Managed Care Program providers treat 350-400 clients on a regular basis. The Program requires County contracts (defined as subcontracts in the State agreement) with the individual providers. The individual provider counsels clients participating in the Program.

Under the County's current protocols for contract management, HHSA is only able to pay a contractor up to the amount of the spending authority specified in an approved contract. To avoid having expenditure authority "stranded" in contracts that may not be fully utilized during the year, HHSA's practice is to gradually amend contracts during the course of Fiscal Year 2007-2008, as each contract is utilized. Approval of the requested amendments will increase the maximum compensation payable to each of the respective providers, Dr. Schmall, Ms. Wolfe, and Ms. Hall. This is in line with HHSA's practice of monitoring utilization of specialty services through the year and applying funding by means of periodic contract amendments. Under the Agency's systems of internal controls, HHSA will only reimburse the contractor for services which are authorized in advance by the program manager. HHSA anticipates authorizing the expenditure of the entire new maximums for each of the subject contractors by the end of the Fiscal Year 2007-2008.

The Agency has executed Business Associate Agreements on file with each of the providers for whom amendments are being requested today.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita