



Agenda Date: 2/28/2006  
Agenda Placement: 6C

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Shelli Brobst for Randy Snowden - Director  
Health & Human Services  
**REPORT BY:** Shelli Brobst, Contracts Analyst, 253-4720  
**SUBJECT:** Amendments to Agreements with Aldea, Inc. [Early and Periodic Screening, Diagnosis and Treatment (EPSDT)]

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### **RECOMMENDATION**

Director of Health and Human Services requests approval of the following actions regarding the provision of Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services by Aldea, Inc.:

1. Authorization for the Chair to sign Amendment No. 1 to Agreement No. 6461 revising the Scope of Work to clarify additional regulatory requirements, add two treatment sites, and increase the amount by \$360,000 for a new maximum of \$800,000; and
2. Budget Transfer No. 38, increasing appropriations by \$550,000 in the Mental Health budget with offsetting revenues from EPSDT and Medi-Cal billings to fund contract expenditures. (4/5 vote required)

### **EXECUTIVE SUMMARY**

Aldea provides Early and Periodic Screening, Diagnosis and Treatment (EPSDT) mental health services in an outpatient setting to Medi-Cal eligible children and youth referred by HHSA. The requested amendment to the Agreement revises the Scope of Work to:

1. clarify additional regulatory requirements,
2. add two treatment sites, and
3. increase the maximum dollar amount to compensate the contractor for additional units of services for the remainder of this fiscal year.

The accompanying Budgetary Transfer is required to appropriate unbudgeted EPSDT revenues, to fund in part the additional units of services per the requested amendment to Agreement No. 6461 with Aldea.

**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?	Yes
Future fiscal impact:	Although the agreement terminates June 30, 2006, the agreement contains an automatic renewal, which allows the County the option to continue these services into the next fiscal year. Appropriations will be budgeted accordingly.
Consequences if not approved:	The additional mandatory services will not be provided.
Additional Information:	<p>The requested budgetary transfer will increase the spending authority for the EPSDT services. It reflects an increase in Medi-Cal and EPSDT billing revenues from the State. EPSDT revenues are not received until the EPSDT services provided by the County Mental Health staff and by contract providers reach a specific "baseline" (expenditure level for services provided) set by the State. Until this baseline is met, EPSDT services are approximately 50% reimbursed through Medi-Cal. EPSDT services provided over and above this baseline amount are essentially fully funded by State EPSDT dollars.</p> <p>HHS budgeted EPSDT revenue conservatively (due to high disallowance percentage and fluctuating service levels in the past) and funded the remainder of the costs with Realignment dollars. With current increases in the service levels and a marked reduction in the number of disallowances, the Department anticipates that Medi-Cal and EPSDT revenues will now fully fund the Aldea contract, rather than having to use Medi-Cal and Realignment funds. Approval of the requested Budgetary Transfer will appropriate the unbudgeted EPSDT revenue increase, sufficient to match the level of services to be provided through the Aldea EPSDT Agreement, thereby freeing up the budgeted Realignment funds.</p>

**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**

Napa County HHS operates a Mental Health Plan through its contract with the California Department of Mental Health (DMH). The plan requires that certain mental health services are provided to Medi-Cal beneficiaries in the County, including Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services. EPSDT services (which essentially are children's Medi-Cal services reimbursed by the State) include assessments, plan development, therapy, collateral services and psychiatric services. Services provided by a contractor must be pre-authorized by the County, documented properly, and meet medical necessity requirements of the Short-Doyle Medi-

### Cal Program.

The amendment clarifies additional regulatory requirements relating to the intake and registration process of clients, increases the contract maximum, and allows Aldea to provide services at two additional sites: the Wolfe Center and Claremont Way. At the Wolfe Center, EPSDT services will be provided to adolescents with co-occurring substance abuse disorders. Aldea will continue to bill EPSDT services at the Wolfe Center until the Wolfe Center becomes a freestanding agency in Spring 2006. At the Claremont Way site, EPSDT services will be provided predominantly to Latino youth.

The requested Budgetary Transfer appropriates unbudgeted EPSDT revenues, matching the level of services to be provided through the Aldea EPSDT Agreement.

The department has an executed Business Associate agreement on file with this provider.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita