



Agenda Date: 4/25/2006
Agenda Placement: 6F

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Shelli Brobst for Randy Snowden - Director
Health & Human Services
REPORT BY: Shelli Brobst, Contracts Analyst, 253-4720
SUBJECT: Agreement with Blue Cross of California (CMSP)

RECOMMENDATION

Director of Health and Human Services requests adoption of a resolution authorizing the Chair to sign the Participating Physician Group Agreement between Blue Cross of California and the County of Napa for the term April 25, 2006, until terminated by either party, relating to the County Medical Services Program (CMSP).

EXECUTIVE SUMMARY

Approval of this revenue agreement will allow Napa County to receive reimbursement from Blue Cross of California for outpatient psychiatric services provided to indigent clients through the County Medical Services Program (CMSP).

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	For each county that participates in CMSP, the State holds back a substantial portion of the total amount of Realignment funding due to that county in order to pay for CMSP services. This hold-back of Realignment funding is referred to as the "CMSP offset." In addition, each county pays a CMSP participation fee. The county receives the remaining portion of its designated Realignment funding to provide other mandatory services.

Until October 2005, CMSP covered specified medical services including inpatient hospital care, inpatient mental health care, and dental services, but did not cover outpatient mental health services. Napa County paid for

outpatient mental health services for CMSP clients using its remaining Realignment funds or, if those were exhausted, budgeted County General Funds.

In October 2005, CMSP reduced inpatient mental health benefits but added outpatient mental health medication services performed by a psychiatrist to the list of services eligible for reimbursement. This agreement will allow Napa County to become a CMSP provider of psychiatric medication services to clients in HHSA's adult psychiatric medication clinic. The County will bill CMSP through its intermediary, Blue Cross, and receive reimbursement for these specific mental health services. This change in practice will allow HHSA to shift Realignment and/or County General Funds formerly used to pay for these services to fund other needed mandatory services. While the precise amount of revenue to be generated is unknown, HHSA believes that it is important to bill every available pay source.

Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	This revenue agreement will continue until terminated by either party.
Consequences if not approved:	If the contract is not approved, HHSA will continue to expend Realignment and/or County General Funds to provide mandatory services for indigent clients.
Additional Information:	In the 1991 Realignment legislation, the State transferred the responsibility for providing medical care to indigent adults to the counties. Counties with populations of less than 300,000 are given the option of contracting back to the State for the provision of these services. Currently, 34 counties including Napa County contract back with the State to provide these services through the County Medical Services Program (CMSP). The County determines the eligibility of individuals for CMSP. Once an individual is deemed eligible, he or she is enrolled in CMSP and receives a benefit card. The State contracts with providers to deliver medical services.

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

CMSP is a limited health insurance program serving indigent adults meeting certain eligibility criteria who reside in one of thirty-four rural counties, including Napa County. This mandatory program is funded with specific Realignment funding from the State. In October 2005, Blue Cross of California's affiliate, BC Life & Health Insurance Company, was selected to assume responsibility from the State Department of Health Services for CMSP claims administration, prior authorization, utilization management, and provider contracting.

As part of the changeover, changes occurred in the types of benefits available to individuals who qualify for CMSP.

Most of the changes limited CMSP eligibility criteria and reimbursement for such services as psychiatric inpatient hospitalization. However, in the area of outpatient psychiatric services, the scope of coverage was expanded. HHSA serves a number of CMSP-eligible clients in its adult psychiatric medication clinic. The cost of care for these indigent individuals has been only partially reimbursed through the collection of client fees based on a sliding scale.

HHSA is entering into this new agreement with Blue Cross to allow claiming and reimbursement for psychiatric medication services delivered to CMSP-eligible clients by psychiatrists. The agreement requires an application for the physician group (Napa County) and separate applications for each physician in the group. The applications for HHSA's adult psychiatric medication clinic and the three psychiatrist positions currently assigned to that clinic will be submitted to Blue Cross with this agreement.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita