



Agenda Date: 8/22/2006  
Agenda Placement: 6D

## 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 with St. Helena Hospital Center for Behavioral Health, Telecare Corporation, and John Muir Behavioral Health Center (Managed Care)

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### **RECOMMENDATION**

Director of Health and Human Services requests approval of and authorization for the Chair to sign the following amendments revising the daily rates of psychiatric hospitals for the provision of managed care (Medi-Cal) inpatient mental health services:

1. Amendment No. 2 to Agreement No. 4135 with St. Helena Hospital Center for Behavioral Health;
2. Amendment No. 2 to Agreement No. 4277 with Telecare Corporation; and
3. Amendment No. 2 to Agreement No. 6132 with John Muir Behavioral Health Center, Inc.

### **EXECUTIVE SUMMARY**

Approval of the amendments will revise the daily rates at three facilities that provide inpatient mental health services for managed care (Medi-Cal) clients requiring psychiatric hospitalizations.

### **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 agreements terminate June 30, 2007, each of the agreements

contain an automatic renewal clause, which allows the County the option to continue these services in the next fiscal year. The managed care agreements (Agreements No. 4135, 4277 and 6132) do not contain maximum amounts since these costs are the County's responsibility under Realignment. HHSAs budget for these services on the basis of prior fiscal year utilization.

Consequences if not approved: If these agreements are not approved, the County will be unable to meet the mental health program mandate governed by the terms of the County's agreement with the State Department of Mental Health.

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**

Under the Medi-Cal managed care system, the County contracts with inpatient mental health facilities for the provision of significant amounts of Medi-Cal-eligible services to County patients. These contracts have no maximum amounts. HHSAs budget for these services, based upon utilization during the previous fiscal year.

If the requested amendments are approved, services to be provided are as follow: St. Helena Hospital Center for Behavioral Health in Vallejo provides inpatient mental health services to children and older adults. Telecare Corporation, located in Fairfield, provides inpatient mental health services to adults. John Muir Behavioral Health Center in Walnut Creek provides inpatient mental health services to children and adults. The St. Helena Hospital and Telecare agreements include the daily bed rate and the physician's daily rate. The agreement with John Muir includes the daily bed rate only; the physician's daily rate is covered under separate agreements with each of the physicians.

Under these managed care contracts, the hospital bills Medi-Cal and receives reimbursement of 50 percent of the costs. Under Realignment, the remaining 50 percent is the County's responsibility but is funded by an annual managed care allocation that the County receives from the State. Since these costs are the County's responsibility under Realignment, the contracts contain no maximum amounts. State regulations guide rate-setting and contract requirements. The requested amendments revise the daily bed rates at the facilities for this fiscal year as shown in the table below.

Rate Schedule for Fiscal Year 2006-2007:

<u>Hospital</u>	<u>FY 2005-2006</u>	<u>FY 2006-2007</u>	<u>Increase</u>
St. Helena Center for Behavioral Health	\$763	\$792	\$29
Telecare	\$818.42	\$870	\$51.58
John Muir Behavioral Health Center (Adults)	\$705	\$725	\$20
(Children under 12)	\$875	\$900	\$25

The Agency has executed Business Associate Agreements with these vendors in place.

**SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita