



Agenda Date: 9/11/2007
Agenda Placement: 6B

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

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign amendments to the following agreements revising the daily rates for services being provided during Fiscal Year 2007-2008:

1. Managed care (Medi-Cal) inpatient mental health services:
 - a. Amendment No. 3 to Agreement No. 4135 with St. Helena Hospital Center for Behavioral Health;
 - b. Amendment No. 3 to Agreement No. 4277 with Telecare Corporation; and
 - c. Amendment No. 3 to Agreement No. 6132 with John Muir Behavioral Health Center, Inc.
2. Mental health services for uninsured clients:
 - a. Amendment No. 3 to Agreement No. 4142 with St. Helena Hospital Center for Behavioral Health;
 - b. Amendment No. 3 to Agreement No. 4464 with Telecare Corporation; and
 - c. Amendment No. 5 to Agreement No. 4141 with St. Helena Hospital.

EXECUTIVE SUMMARY

Approval of the requested amendments will revise the daily rates charged by facilities which provide inpatient mental health services for managed care (Medi-Cal) clients and uninsured clients who require psychiatric hospitalizations. The provision of these services is mandated by the State.

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, 2008, they each contain a clause which provides for automatic annual renewal, thereby enabling the County to continue these services into the next fiscal year, in which case, the necessary appropriations will be accordingly budgeted.
Consequences if not approved:	If these agreements are not approved, mandatory services will not be provided, and the County will be in danger of losing other State funds.
Additional Information:	<p>For the managed care contracts, the hospital bills Medi-Cal and receives reimbursement of 50 percent of the costs. 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 no matter what the level of expenditures is, the contracts contain no maximum amounts. State regulations guide rate-setting and contract requirements. However, it is the County's responsibility to set the rate. HHS negotiated the rates with St. Helena Hospital. The rates for Telecare and John Muir mirror the rates these hospitals negotiated with the counties where they are located.</p> <p>While there is no specific revenue offset, the agreements for uninsured clients (Agreement Nos. 4141, 4142 and 4464) are included in the costs that are initially funded by the Vehicle License Fee and Sales Tax Realignment revenues that are received annually for Mental Health. These hospital services are mandated and thus, if Realignment funds are exhausted, these agreements are funded with County General Funds already included in the Board-authorized Mental Health budget.</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

Medi-Cal Managed Care Agreements, No. 4135, 4277 and 6132:

Under the Medi-Cal managed care system, and based upon utilization during the previous fiscal year, the County contracts with inpatient mental health facilities providing significant amounts of Medi-Cal eligible services to County patients. St. Helena Hospital Center for Behavioral Health in Vallejo provides inpatient mental health services to children and older adults. The Telecare Corporation is a psychiatric health facility located in Fairfield that provides inpatient mental health services to adults. John Muir in Walnut Creek provides inpatient mental health services to children and adults.

The managed care contracts cover both the hospital's daily bed rate and the charges of the physicians who provide the required services at these hospitals. Under the managed care contracts, the hospital bills Medi-Cal for the hospital daily bed rate and receives reimbursement of 50 percent of the costs. The remaining 50 percent is the County's responsibility, funded by an annual managed care allocation that the County receives from the State. The hospitals bill Napa County directly for the services provided by physicians at these hospitals. Since managed care costs are the County's responsibility no matter what the level of expenditures is, the contracts contain no maximum amounts.

Mental Health Agreements for Uninsured Clients, Nos. 4141, 4142 and 4464:

Although rare, clients who are not insured by Medi-Cal, Medicare, or a private insurer are referred for inpatient mental health services as required by State law. These contracts continue an established procedure for hospital acceptance and billing for hospital and physician services provided. The rates established for compensation are identical to those in the respective inpatient managed care agreements. These contracts are funded initially by Realignment funds. If Realignment funds are exhausted, the contracts are then funded with County General Funds already included in the Agency's authorized Fiscal Year 2007-2008 budget.

Rate Schedule for Fiscal Year 2007-2008:

<u>Hospital:</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>	<u>Increase</u>
St. Helena Center for Behavioral Health:	\$763	\$828	\$65
Telecare:	\$870	\$903	\$33
John Muir Behavioral Health Center (Adults):	\$825	\$900	\$75
(Children):	\$1,000	\$1,050	\$50

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

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita