

County of Santa Clara  
Santa Clara Valley Health & Hospital System  
Mental Health Services



90186

**DATE:** March 20, 2018  
**TO:** Board of Supervisors  
**FROM:** Toni Tullys, Director, Behavioral Health Services  
**SUBJECT:** Amendments to Short-Doyle and Mental Health Services Act Agreements

**RECOMMENDED ACTION**

Consider recommendations related to Amendments to Agreements with agencies providing mental health services.

Possible action:

- a. Approve Third Amendment to Agreement with Momentum for Mental Health relating to providing mental health services, with no change to the maximum contract amount, and no change to the term of the Agreement, that has been reviewed and approved by County Counsel as to form and legality.
- b. Approve Second Amendment to Agreement with The Health Trust, relating to providing mental health services, with no change to the maximum contract amount, and no change to the term of the Agreement, that has been reviewed and approved by County Counsel as to form and legality.

**FISCAL IMPLICATIONS**

There is no change to funding as a result of these amendments. Funding for these contracts are included in the BHSD Fiscal Year (FY) 2018 Board Approved Budget.

**CONTRACT HISTORY**

The vendors providing these mental health services were selected through the following Requests for Proposal (RFPs). Basic information related the RFPs is listed below:

- RFP-ADS-FY15-0285: Adult Behavioral Services & Transitional Housing Units; released on January 30, 2015 and proposals received on May 1, 2015.
- RFP-MHS-FY12-0205: Adult Crisis Residential Treatments Services; released on February 28, 2012 and proposals received on April 3, 2012.
- RFP-MHS-FY14-0216: Adult Day Rehab Outpatient Services & Adult Super Board

and Care; released on January 29, 2014 and proposals received on March 19, 2014.

- RFP-MHS-FY16-0108: Supportive Services for the Chronically Homeless; released on January 8, 2016 and proposals received on March 7, 2016.
- RFP-ADS-FY15-0285: Adult/Older Adult Behavioral Health Services and Transitional Housing Units; released on January 30, 2015 and proposals received on May 1, 2015.
- RFP-BHS-FY17-0080: Criminal Justice Transitional Housing Units; released on October 31, 2016 and proposals received on December 16, 2016.

The Agreement with Momentum for Mental Health was approved by the Board of Supervisors on June 6, 2017 (ID# 85142). The First Amendment with Momentum for Mental Health was approved by the Board of Supervisors on June 20, 2017 (ID# 87323). The Second Amendment with Momentum for Mental Health was approved by the Board of Supervisors on November 14, 2017 (ID# 88453).

The Agreement with The Health Trust was executed through the FY 2018 Master Contract List Delegation of Authority. The First Amendment to the Agreement with The Health Trust was approved by the Board of Supervisors on August 29, 2017 (ID#87708).

## **REASONS FOR RECOMMENDATION**

These Amendments add the required language to reflect the revised requirements of the Federal Managed Care Regulations, Part 438 of Title 42 of the Code of Federal Regulations (Mega Regs). These Mega Regs were revised and issued in the Federal Register on May 6, 2016 and apply to all managed care plans, including Santa Clara County. Key goals of the reform include: (1) supporting state efforts to advance delivery system reform and improve the quality of care; (2) strengthening the beneficiary experience of care and protections; (3) strengthening program integrity by improving accountability and transparency; and (4) aligning key Medicaid and Children's Health Insurance Program managed care requirements with other health coverage programs.

In order to comply with this robust reform of regulations, the BHSD is required to amend its Agreements with Short-Doyle/Mental Health Service Act (MHSA) service providers to add the requirements of these revised regulations. These Amendments would include updates to provisions related to subcontracting; Medi-Cal rules; record retention; maintenance, retention, and confidentiality of client records; disclosures; financial requirements; and billing. Approval of these Amendments would allow the County to comply with current Medicare and Medi-Cal regulations and update County standard provisions for all expenditure contracts.

### *Justification for Retroactive Start Date*

Retroactive start dates of July 1, 2017 is requested for the updated, mandatory Mega Regs requirements that the State requires to take effect as of July 1, 2107. These regulatory Amendments are retroactive because of the State's delay in implementing the significant new Mega Regs regulatory requirements. The BHSD did not receive the Center for Medicare & Medicaid Services (CMS) contract deliverables checklist until May 2017. This checklist differentiates between existing standards and new standards, as well as the deliverables that

are required to demonstrate compliance. Afterwards, time was needed to update the BHSD policies and contract language to align with these substantial new requirements. This process involved County Counsel, Compliance, and the BHSD's review of each checklist requirement, seeking clarification of many of the requirements with the State, and outreach to contractors about the forthcoming changes. These Mega Regs Amendments do not change the budgets of any programs.

These Amendments assist the Santa Clara Valley Health and Hospital System in achieving its Strategic Road Map goals by increasing the number of healthy life years through the delivery of behavioral health services that comply with the latest Medicare and Medi-Cal standards and regulations for severely mentally ill clients in Santa Clara County.

### **CHILD IMPACT**

The services would have a positive impact on children and youth by providing chronically homeless households with children and youth with supportive services to obtain and maintain permanent housing.

### **SENIOR IMPACT**

The recommended action would have a positive impact on seniors by ensuring behavioral health services are available to the older adult population of Santa Clara County.

### **SUSTAINABILITY IMPLICATIONS**

The recommended action balances public policy and program interests, and enhances the Board of Supervisors' sustainability goals of social equity and safety by providing contracted supportive housing services to the residents of Santa Clara County in a timely manner.

### **BACKGROUND**

The BHSD is Santa Clara County's Medi-Cal Behavioral Health Managed Care Plan administrator and is required to provide or arrange behavioral health services for Medi-Cal beneficiaries. Mental health contract services are contained in two types of services: Short-Doyle Medi-Cal and MHSA. The services are provided to children with emotional disorders and to seriously mentally ill youth, adults, and older adults from all ethnic and cultural populations represented in Santa Clara County.

On November 2, 2004, California voters passed Proposition 63, also known as the MHSA, establishing new tax revenues to be used to expand County mental health service to children, adults, and seniors with severe mental illness and to fund prevention and early intervention services innovative programs, human resource development, and capital facilities and technology improvements.

The former State Department of Mental Health, now the Department of Health Care Services, established the following five MHSA components: Community Services and Supports (CSS), which expands services to children with emotional disorders and seriously mentally ill transition age youth, adults, and seniors; Prevention and Early Intervention (PEI), which provides early intervention and prevention services; Workforce Education and Training

(WET), which provides funds for consumer, family and staff training and workforce development; Capital Facilities and Technological Needs (CFTN), which provides funding for facilities and technology; and Innovation (INN), which funds innovative projects and programs to test new models of service delivery or system improvements.

### **CONSEQUENCES OF NEGATIVE ACTION**

Failure to approve the recommended action would negatively affect the BHSD's ability to comply with the new Federal and State Medicare and Medi-Cal regulations.

### **STEPS FOLLOWING APPROVAL**

Upon approval, the Clerk of the Board is requested to send an e-mail notification to Melissa Burnias (Melissa.burnias@hhs.sccgov.org). Priority processing is requested for these Amendments.

### **ATTACHMENTS:**

- FY18 Momentum Amend 3\_for BOS signature (PDF)
- FY18 The Health Trust Amend 2\_for BOS signature (PDF)
- FY18 Momentum Agreement-Amend 2 (PDF)
- FY18 The Health Trust Agreement-Amend 1 (PDF)