

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



90167

DATE: March 20, 2018

TO: Board of Supervisors

FROM: Toni Tullys, Director, Behavioral Health Services

SUBJECT: Amendments to Skilled Nursing Facilities and Institutions for Mental Diseases Agreements

RECOMMENDED ACTION

Consider recommendations relating to Amendments to Agreements with various agencies for providing 24-hour care for seriously mentally ill clients.

Possible action:

- a. Approve First Amendment to Agreement with Beverly Health and Rehabilitation, dba Golden Living Center relating to providing Institute for Mental Disease 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 First Amendment to Agreement with Medical Hill, dba Kindred Healthcare relating to providing Skilled Nursing Facility 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.
- e. Approve First Amendment to Agreement with Telecare, dba Garfield Neurobehavioral Center relating to providing Skilled Nursing Facility 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

These Agreements are funded by the County General Fund and are included in the Behavioral Health Services Department's (BHSD) Fiscal Year (FY) 2018 Board Approved Budget. The amount paid to the provider is based upon the actual number of patient days purchased by the County at rates specified in each Agreement and is on a fee-for-service basis.

CONTRACT HISTORY

In November 2013, the BHSD released a Request for Proposal (RFP) seeking vendors to provide 24-hour psychiatric services for seriously mentally ill clients in a medical setting. Telecare Corporation (dba – Garfield Neurobehavioral Center) and Beverly Health and Rehabilitation (dba – Golden Living Center) were selected on February 5, 2014.

Kindred Healthcare was approved by the Board of Supervisors as a single source selection on June 24, 2014 (ID# 70922).

The Agreement with Garfield Neurobehavioral Center was approved by the Board of Supervisors on June 20, 2017 (ID#87056). The Agreement with Golden Living Center was approved by the Board of Supervisors on June 20, 2017 (ID#87060). The Agreement with Kindred Healthcare was approved by the Board of Supervisors on June 20, 2017 (ID#87051).

REASONS FOR RECOMMENDATION

These Amendments add the required language to reflect 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 Skilled Nursing Facilities (SNF), Institutes for Mental Diseases (IMD), and Mental Health Rehabilitation Centers (MHRC) 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.

SNF, IMD, and MHRC services prevent the need to find new placements for Seriously Mentally Ill (SMI) clients currently receiving these services at County contracted sites. SNFs, IMDs, and MHRCs are less costly alternatives to State hospitals and acute care placements. It is the goal of the BHSD to maintain clients in stable environments that provide for both medical and psychiatric needs, as well as to prevent acute hospitalizations whenever possible.

Justification for Retroactive Start Date

Retroactive start dates of July 1, 2017 are requested for these Amendments that incorporate 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 these 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 inpatient services for severely mentally ill clients in Santa Clara County.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have a positive impact on seniors by ensuring that the SNF and IMD services provided to older adults are compliant with the revised Medi-Cal and Medicare regulations.

SUSTAINABILITY IMPLICATIONS

The recommended actions balance public policy and program interests, and enhance the Board of Supervisors' sustainability goals of social equity and safety by providing contracted behavioral health services to the residents of Santa Clara County.

BACKGROUND

Realignment legislation in July 1992 gave county mental health departments the responsibility of contracting for the provision of SNF and IMD services. The BHSD manages all admissions to the SNF and IMD facilities and discharges to lower level of care placements.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the recommended actions would negatively affect the BHSD's ability to comply with the new federal and state Medicare and Medi-Cal regulations, provide behavioral health services to the residents of Santa Clara County, and provide timely payments to the service providers.

STEPS FOLLOWING APPROVAL

Upon approval of the Agreements, the Clerk of the Board is requested to send an e-mail notification to Mark Rodriguez at: Mark.Rodriguez@hhs.sccgov.org.

LINKS:

- Linked To: 87060 : 87060
- Linked To: 87051 : 87051
- Linked To: 87056 : 87056

ATTACHMENTS:

- FY18 Beverly Health and Rehabilitation Amend 1 - for BOS signature(PDF)
- FY18 Kindred Amend 1 - for BOS signature (PDF)
- FY18 Telecare Amend 1 - for BOS signature (PDF)
- FY18 Beverly Health and Rehabilitation Agreement (PDF)
- FY18 Kindred Healthcare Agreement (PDF)
- FY18 Telecare Agreement (PDF)