

# County of Santa Clara

## Santa Clara Valley Health & Hospital System

### Mental Health Services



HHS08 060909

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Director, Mental Health Department

DATE: June 9, 2009

TO: Board of Supervisors

FROM:

A handwritten signature in black ink, appearing to read "Kim Roberts".

Kim Roberts  
SCVHHS - Chief Executive Officer

SUBJECT: Agreement Relating to Managing the Network of Fee-for-Service Providers Serving Mentally Ill  
Medi-Cal Eligible and Un-sponsored Children/Youth Placed Out-of-County

### **RECOMMENDED ACTION**

Consider recommendations relating to the agreement to manage a network of fee-for-service providers to serve mentally ill Medi-Cal eligible and unsponsored children/youth placed out-of-county.

Possible action:

- a. Approve delegation of authority to the SCVHHS Chief Executive Officer, or designee, to negotiate and execute an agreement with ValueOptions, Inc., and/or any other organization or County, to manage a network of fee-for-service providers serving Santa Clara County Medi-Cal eligible and unsponsored children/youth placed out-of-county in an amount not to exceed \$210,000 per fiscal year for period July 1, 2009 through June

30, 2013, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on June 30, 2013.

- b. Approve delegation of authority to the SCVHHS Chief Executive Officer, or designee, to amend said agreement, to include but not be limited to the following: (1) revise the nature of services, rates for services, or any other provision upon execution of a written amendment; (2) increase the aggregated amounts provided that funds do not incur unbudgeted additional costs to the County; (3) extend said agreement(s) and add additional funding for the extended term provided that the funds do not incur unbudgeted additional costs to the County, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on June 30, 2013.

### **FISCAL IMPLICATIONS**

There will be no impact to the General Fund. Medi-Cal Managed Care and Federal Financial Participation (FFP) funds fully cover the cost of this contract. Funding for this agreement is included in the FY10 Mental Health Department recommended budget.

### **CONTRACT HISTORY**

In 1998, the framework for providing specialty mental health services to Medi-Cal beneficiaries transitioned from an individual fee-for-service program to a consolidated county-managed program in California. As a result, the Mental Health Department (MHD) became responsible for mentally ill Medi-Cal eligible children/youth from birth to age 18 who are placed out-of-county by the Social Services Agency (Department of Family and Children's Services, Adoption Assistance Program, and children placed with relatives outside Santa Clara County), the Juvenile Probation Department, and a few children and youth who are referred to MHD by school districts. On very rare occasions, MHD may have need to refer an unsponsored child or youth for these services; however, this situation has not occurred for over three years. Those eligible for this program must meet the criteria for mental health medical necessity.

The mental health services provided to the Medi-Cal eligible children/youth are fully funded by the County's Medi-Cal Managed Care allocation, a combination of Federal Medi-Cal funds and State Early and Periodic Screening, Diagnosis and Treatment (EPSDT) matching funds.

A request for proposal process conducted by the Administrative Service Organization (ASO) of the California Mental Health Directors Association (CMHDA) selected ValueOptions, Inc. ValueOptions assumes the time-consuming task of managing the provider network across the State. The contract was established to provide tracking of beneficiaries, claiming of services and assistance in maintaining continuity of mental health services, thus eliminating the need for MHD to establish individual provider contracts where children/youth are placed.

The contract was managed by ASO until February 2004, when it was decided that individual counties should administer their own contracts for these services. At that time, the Board of Supervisors authorized delegation to the MHD to negotiate and execute a contract directly with ValueOptions. The current delegation of authority expires June 30, 2009.

### **REASONS FOR RECOMMENDATION**

Use of the ValueOptions mental health provider network ensures that children/youth placed out-of-county will have access to appropriate outpatient mental health services. Prior notification is submitted to Santa Clara County before a beneficiary is admitted to the program. By participating in this program with most other California counties, the MHD benefits from an economy of scale, thereby reducing overall contracting costs. MHD is satisfied with ValueOptions' performance to date, and with the organization's responsiveness to the Department's needs.

In FY08, a total of 321 children/youth received mental health services from Value Options providers. In the current fiscal year (through May 1, 2009), a total of 273 children/youth have received mental health services.

Approval of the recommended actions will allow the MHD to continue to contract directly with ValueOptions, a sole source contract, for an additional four years, and to execute necessary amendments in a timely manner. In addition, MHD will be able to negotiate and execute subsequent agreements in the event that local county mental health departments select another provider for the management and claiming services. It should also be noted that the MHD maintains its authority to assume direct responsibility for Santa Clara County beneficiaries at any time.

## **BACKGROUND**

The boilerplate language of the ValueOptions contract is used by up to 40 counties, therefore it is not customized to include Santa Clara County's provision regarding Contracting Principles. It does, however, include language that is consistent with the intent of the County's contracting language regarding State and Federal law, availability of records, and indemnification and insurance. County Counsel has been advised and concurs with the boilerplate language.

The fee-for-service network of Medi-Cal providers includes independent licensed mental health providers who are required to adhere to the same credentialing standard that the County uses when contracting with private practice providers. The contract also meets State regulatory requirements for providing multi-lingual, multi-cultural services. Prior notification is submitted to Santa Clara County before a beneficiary is admitted to the program.

The service network does not provide the most intensive modes of service (e.g., crisis intervention, therapeutic behavioral services, case management, or intensive in-home services). When children/youth placed out-of-county need more intensive services, MHD must locate and separately contract for those services.

## **CONSEQUENCES OF NEGATIVE ACTION**

Failure to approve these recommended actions may impact the Mental Health Department's ability to use ValueOptions to provide services to mentally ill children/youth placed out-of-county.