



Mendocino County

Legislation Text

File #: 18-1390, **Version:** 1

To: Board of Supervisors

From: Health and Human Services Agency

Meeting Date: March 13, 2018

Department Contact: Anne Molgaard

Phone: 463-7885

Department Contact: Jenine Miller

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Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval of Retroactive Amendment to BOS Agreement No. 16-049 with Redwood Quality Management Company Increasing the Amount from \$5,143,103 to \$5,273,603 to Reimburse for Specialty Mental Health Services Provided to Adults, Age 25 and Older, in Fiscal Year 2016-17; and Approval of Retroactive Amendment to BOS Agreement No. 16-050 with Redwood Quality Management Company Increasing the Amount from \$9,416,897 to \$9,967,697 to Reimburse for Specialty Mental Health Services Provided to Children and Youth, Age 24 and Younger, in Fiscal Year 2016-17

Recommended Action/Motion:

Approve retroactive Amendment to BOS Agreement No. 16-049 with Redwood Quality Management Company increasing the amount from \$5,143,103 to \$5,273,603 to reimburse for Specialty Mental Health Services provided to adults, age 25 and older, in Fiscal Year 2016-17; Approve retroactive Amendment to BOS Agreement No. 16-050 with Redwood Quality Management Company increasing the amount from \$9,416,897 to \$9,967,697 to reimburse for specialty Mental Health Services provided to children and youth, age 24 and younger, in Fiscal Year 2016-17; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

Services to children ongoing since 2013, most recent action on June 20, 2017, Item 4(r), BOS No. 17-040.
Services to adults ongoing since 2016, most recent action on June 20, 2017, Item 4(r), BOS No. 17-041.

Summary of Request:

Health and Human Services Agency (HHSA), Behavioral Health and Recovery Services (BHRS) currently contracts with Redwood Quality Management Company (RQMC) for the provision of all mandated specialty mental health services on behalf of Mendocino County. RQMC, functioning as an Administrative Services Organization (ASO), oversees and manages the delivery of specialty mental health services, both to children and youth, age 24 and younger, and to adults, age 25 and older, through a well-developed coalition of local subcontractors.

Payment for specialty mental health services includes Federal Financial Participation (FFP), a federal portion of funding that is reimbursed by the state after qualifying services have been provided and invoiced. FFP payments are often delayed for extended periods of time at the state level. In some instances, as is the case with the two proposed amendments, the state issues FFP payments after the closure of a fiscal year in which

services were provided. Although HHSA has billed and received additional FFP, HHSA cannot pass it along to RQMC since the maximum contract amounts have already been billed.

The two proposed amendments will allow HHSA BHRS to pay RQMC additional FFP amounts for services provided in fiscal year 2016-17 that were above RQMC's maximum contract amounts. This is necessary to bring the two ASO contracts into alignment for the 2016-17 mental health cost report, an annual cost report audited by the Department of Health Care Services. Without the amendments, an audit will show that total contract amounts allocated for specialty mental health services are less than the total of approved claims paid, a scenario that will automatically trigger disallowance of the difference. In this instance, the proposed amendments will prevent disallowance of \$681,300 when the 2016-17 cost reports are audited.

Alternative Action/Motion:

Return to staff for alternative handling.

Supplemental Information Available Online at: N/A

Fiscal Impact:

Source of Funding: 4050

Budgeted in Current F/Y: Yes

Current F/Y Cost: Children: 9,967,697 (FY 2016-17) Adults: \$5,273,603 (FY 2016-17)

Annual Recurring Cost: Children: 9,481,381 Adults: \$5,869,000

Supervisory District: All

Vote Requirement: Majority

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Janelle Rau, Deputy CEO

CEO Review: Yes

CEO Comments:

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Executed By: Willetta Callaghan

Final Status: **Approved**

Date: March 14, 2018

Executed Item No.: **Agreement** Number: 16-049-A1

Agreement Number: 16-050-A1

Note to Department:

Executed Documents Returned to
Department: Originals 4 Executed
Agreement Sent to Auditor? Y

