


COUNTY OF SAN MATEO
Departmental Correspondence

DATE: February 11, 2002

HEARING DATE: February 26, 2002

TO: Honorable Board of Supervisors

FROM: Gale Bataille, Director, Mental Health Services 

SUBJECT: Managed Care Agreement with the State Department of Mental Health

RECOMMENDATION

Adopt a resolution authorizing the President of the Board to execute an agreement with the State Department of Mental Health (DMH) for mental health Medi-Cal managed care services.

Background

In April 1995, under a 1915(b) waiver granted to the State Department of Health Services (DHS) by the Health Care Financing Administration (HCFA), San Mateo was the first California county to implement a managed mental health care system for Medi-Cal beneficiaries. At the end of the initial two-year waiver period, the Division worked with DHS and DMH to submit a second federal waiver request. The second waiver was designed to test additional program elements, including responsibility for pharmacy and laboratory services and a new system for earning Medi-Cal reimbursement. The second waiver was approved effective July 1, 1998, and was extended through October 31, 2001. A third waiver extended the provisions of prior waivers from November 1, 2001, to October 31, 2003. Operating under the waiver granted by HCFA, now the Centers for Medicare and Medicaid Services (CMS), the Division provides a range of mental health services to approximately 5,000 Medi-Cal clients a year. Since 1995, annual DMH Managed Care Agreements have authorized the San Mateo Mental Health Plan to provide mental health services under the conditions of these federal waivers to Medi-Cal eligible clients and provides State General Fund revenue to support managed care and other specified services.

Discussion

This agreement defines the requirements for the mental health plan for Medi-Cal eligible clients, including quality assurance, record keeping, client rights, and availability and accessibility of services. In addition, it delineates the unique requirements of the San Mateo County waiver including case rate reimbursements, responsibility for medications prescribed by psychiatrists, and laboratory services.

The agreement includes the state share of funding for FY 2001-02, a total of \$7,802,641. This represents funding for the current Medi-Cal managed care program, children's system of care and other specialized Medi-Cal services. There is a 17.5% increase over the FY 2000-01 funding level in the state share of cost for Medi-Cal expenses for pharmacy and laboratory services.

Goals and Objectives

The following table shows the FY 2000-01 actual and target FY 2001-02 performance measures:

Performance Measure	2000-01 Objective	2000-01 Actual	2001-02 Objective
Medi-Cal Clients as % of Total served	56%	51%	56%
Medi-Cal Penetration Rate*	12%	12.3%	12.4%
Pharmacy Cost Growth	Maintain at 15%	12%	Maintain at 12%
Cost per Client w/o Pharmacy	Maintain at \$6,146	\$5,701	Maintain at \$5,700
Total Cost per Client	Maintain at \$7,195	\$6,691	Maintain at \$6,691

*Number of Medi-Cal clients served by Mental Health as percentage of total County Medi-Cal beneficiaries.

Term

The agreement is effective from July 1, 2001, through June 30, 2002, and has been reviewed and approved by County Counsel. The agreement is late because it was not received from the State until January 2002.

Vision Alignment

This contract with DMH keeps the commitment to Ensure Basic Health and Safety for All and goal number 8: Help vulnerable people-the aged, disabled, mentally ill, at risk youth, and others- achieve a better quality of life. The contract contributes to this commitment by providing managed care mental health services to a vulnerable population.

Fiscal Impact

The amount of the agreement is \$7,802,641 for FY 2001-02. This includes \$5,224,212 as the state share of Medi-Cal expenses for pharmacy and laboratory services, \$1,844,429 for current managed care clinical services and \$734,000 for children's system of care services. In addition to the state allocation, the agreement authorizes an estimated \$13,776,500 in federal Medi-Cal (FFP) collections through case rates and \$5,516,355 in FFP for pharmacy and lab services. The total anticipated federal revenue is \$19,292,855. There is no net county cost. The revenue and expenses are included in the FY 2001-02 Mental Health Services budget.

RECOMMENDED


HEALTH SERVICES DEPARTMENT