



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: June 18, 2024
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Antonette Navarro, LMFT, Director
Director(s) Department of Behavioral Wellness, (805) 681-5220
Contact Info: Chris Ribeiro, Chief Financial Officer
Department of Behavioral Wellness, (805) 681-5220
SUBJECT: Amendment to Mental Health Services Agreements for Contingency Payment,
Contingency Cost Settlement, Medicare Practitioner Billing and Fee Changes

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: County Executive Office

As to form: Yes

Recommended Actions:

- a) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness to execute agreements amending the Mental Health provider Agreements for Services of Independent Contractor listed below in form and content substantially similar to the attached template to add contingency payment and contingency cost settlement provisions and to incorporate changes for Medicare practitioner billing and State rate changes, with no change to the maximum contract amounts:
 - i. Community Action Commission dba CommUnify FY 22–25 (BC No. 22-014)
 - ii. Council on Alcoholism and Drug Abuse FY 23–27 (BC No. 23-091)
 - iii. Family Service Agency FY 23–27 (BC No. 23-125)
 - iv. Good Samaritan Shelter, Inc. FY 23–27 (BC No. 23-087)
 - v. PathPoint FY 22–25 (BC No. 22-008)
 - vi. Psynergy FY 23-24 (BC No. 23-124);
- b) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to incorporate new codes and make fee-for-service rate changes or updates and to reimburse on a cost reimbursement basis for Medi-Cal fee-for-service programs per Exhibit B MHS (Mental Health Services) as to each agreement enumerated above under Recommended Action a; and

- c) Determine that the above actions are government fiscal activities or funding mechanisms that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

This item is on the agenda to request the Board of Supervisors (Board) to approve and authorize the Director of Behavioral Wellness (BWell) to execute amendments to the above-listed Mental Health (MH) provider agreements, substantially in accordance with the attached template, to add contingency payment and contingency cost settlement provisions as well as to implement changes in Medicare reimbursement for mental health services and to allow the department to incorporate new codes or update rates to contracted fee schedules, with no change to the maximum contract amounts.

Background:

BWell provides a continuum of mental health services to Santa Barbara County residents, in part through contracted providers, including community based organizations (CBOs). BWell's agreements with providers need to be amended to reflect the following changes:

❖ ***Contingency Payment and Contingency Cost Settlement***

During this fiscal year, BWell implemented a new electronic health record system, SmartCare, that CBOs are required to use for submitting claims for payment. The claiming functionality of the new SmartCare application was delayed by approximately 10 months resulting in limited to no data on the amount of services approved by Medi-Cal during this time period. CBOs rely on this data, in part, to track and adjust service delivery to ensure that their costs are being covered. BWell also relies on this data to monitor whether provider rates are sufficient to cover the anticipated cost of service. BWell has determined that there is a need to amend the six proposed CBO contracts to add contingency settlement terms specifically for FY 23-24, which give CBOs the option for reimbursement based on cost or the fee-for-service schedule. This is in consideration of the extenuating claiming issues and to ensure that local CBOs are compensated for services performed. BWell is also recommending adding contingency payment provisions to the agreements to reflect the change in payment terms should system implementation issues arise again. The contingency payment and settlement provisions do not alter the maximum contract amounts set forth in Exhibit B.

❖ ***Board Contract Exhibit B-3 (Entity Rates and Codes by Service Type) Changes***

The Exhibit B-3 identifies the fee-for-service rates for Medi-Cal specialty mental health services, which are based, in part, on State issued rates. BWell requires the ability to update contractor rates when new codes are added, rates are added or amended by the State, or for operational reasons.

❖ ***Medicare Changes***

Starting January 1, 2024, Medicare began to cover mental health services for new practitioner types, including Marriage and Family Therapist, Clinical Psychologist, Clinical Social Worker, Professional Clinical Counselor, Nurse Practitioner, Physician Assistant, and Medical Doctor. This change necessitates an update to the agreements to identify the contractor's role and responsibilities for clients that are eligible for both Medicare and Medi-Cal as well as the claims processing and payment parameters.

The template will apply to each of these agreements as follows:

- **Community Action Commission dba CommUnify FY 22–25 BC No. 22-014.** The CommUnify agreement was originally executed on May 24, 2022, and a first amendment was executed on October 3, 2023. This instant amendment will result in a second amendment to the agreement and will amend the exhibit entitled, “Financial Provisions.”
- **Council on Alcoholism and Drug Abuse FY 23–27 BC No. 23-091.** The Council on Alcoholism and Drug Abuse agreement was originally executed on July 18, 2023. This instant amendment will result in a first amendment to the agreement and will amend the exhibit entitled, “Financial Provisions.”
- **Family Service Agency FY 23–27 BC No. 23-125.** The Family Service Agency agreement was originally executed on August 29, 2023. This instant amendment will result in a first amendment to the agreement and will amend the exhibit entitled, “Financial Provisions.”
- **Good Samaritan Shelter, Inc. FY 23–27 BC No. 23-087** The Good Samaritan Shelter, Inc. agreement was originally executed on July 18, 2023. This instant amendment will result in a first amendment to the agreement and will amend the exhibit entitled, “Financial Provisions.”
- **PathPoint FY 22–25 BC No. 22-008.** The PathPoint agreement was originally executed on May 31, 2022, and a first amendment was executed on October 17, 2023. This instant amendment will result in a second amendment to the agreement and will amend the exhibit entitled, “Financial Provisions.”
- **Psynergy FY 23-24 (BC No. 23-124).** The Psynergy agreement was originally executed on August 22, 2023. This instant amendment will result in a first amendment to the agreement and will amend the exhibit entitled, “Financial Provisions.”

Fiscal and Facilities Impacts:

Budgeted: There are no budget impacts. The adopted FY 23-24 budget is based on maximum contract amounts and these amendments do not alter existing contract maximum amounts.

Key Contract Risks:

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments. Behavioral Wellness contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to the County.

Special Instructions:

Please return one (1) Minute Order to Melanie Johnson at mejohanson@sbcbswell.org and to the BWell Contracts Division at bwelcontractsstaff@sbcbswell.org.

Attachments:

Attachment A: Amendment to Mental Health Services Agreements for Contingency Payment, Contingency Cost Settlement, Medicare Practitioner Billing and Fee Changes

Authored by:

M. Johnson