

SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

Agenda Number:
Prepared on: 2/22/06
Department Name: Public Health
Department No.: 041
Agenda Date: 3/07/06
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Elliot Schulman, MD, MPH, Director and Health Officer
Public Health Department

STAFF CONTACT: Nancy Leidelmeijer, MAA/TCM Program Coordinator
681-5188

SUBJECT: Agreement with Sojourn Services, Inc. to provide Targeted Case Management (TCM) Services for the period of July 1, 2004 through June 30, 2007.

Recommendation(s):

That the Board of Supervisors:

Approve and authorize the Chair to execute an Agreement with Sojourn Services Inc. (not a local vendor) for targeted case management services for the period of July 1, 2004 through June 30, 2007 for a maximum pass through amount of \$1,312,835 in Medicaid federal financial participation.

Alignment with Board Strategic Plan:

These recommendations align with Goal VII: A community that fosters the safety and well being of families and children.

Executive Summary and Discussion:

Targeted Case Management (TCM) services consist of case management activities that assist Medi-Cal beneficiaries, within specified target groups, to access needed medical, social, educational, and other services. The Centers for Medicare and Medicaid Services (CMS) has designated the State of California Department of Health Services (DHS) to be the single State agency to administer the federal Medicaid program in California. In that role, DHS secured approval for amendments to the California State Plan to include TCM as a covered Medi-Cal service.

On May 18, 2004, the Board approved the three-year contract with the State Department of Health Services for TCM provided by the Public Health Department (PHD). PHD is designated by DHS to be the local governmental agency that administers the TCM program for Santa Barbara County. PHD has performed lead agency duties for the TCM program for Santa Barbara County since its inception. Any agency participating in the TCM program in Santa Barbara County must provide a local or State match in order to receive Federal Financial Participation dollars. Moreover, each agency is required to complete time surveys

Subject: Agreement with Sojourn Services, Inc. 2004-07

Agenda Date: March 7, 2006

Page 2

and to prepare a TCM Cost Report in order to establish the TCM billable encounter rate, each participating year.

Since fiscal year 2001-02, the PHD offered Federal Financial Participation subcontracts for TCM to community-based organizations under the Community target population State Plan Amendment. The initial contract was with Sojourn Services, Inc. with the intention to use some of the Federal Financial Participation dollars to expand the Welcome Every Baby newborn home visitation program.

In fiscal year 2004-05, CMS began scrutinizing community based organizations participating in the TCM program and deferred all payments under the Community target population State Plan Amendment until further review of program compliance among community based organizations. PHD conducted its own internal reviews of Sojourn's TCM program. As a result, Sojourn suspended all TCM billing activities for fiscal year 2004-05 until later in the year, when PHD and Sojourn staff were assured that Sojourn was in complete program compliance. Sojourn has demonstrated that they have in place the necessary elements for successful TCM claiming: a strong financial infrastructure, eligible matching State or local dollars, an existing relationship with PHD fiscal staff, and a commitment for management to fully understand the claiming, documentation and extensive program requirements. CMS has resumed payments to community based organizations under the Community State Plan Amendment for fiscal year 2004-05 this year.

Based on the above discussion, it was agreed upon by Sojourn and PHD that additional scrutiny was necessary prior to our request of adoption of this agreement. As the fiscal intermediary, it is PHD's responsibility to ensure compliance with TCM program tenets. It would have been imprudent to present the Board with this letter prior to completion of PHD's review of Sojourn's TCM program materials and prior to CMS' review of the program statewide. Moreover, payments to community based organizations for fiscal year 2004-05 have only recently been approved by CMS.

This agreement will allow for PHD to pay Sojourn for its fiscal year 2004-05 claims, and will establish an agreement in congruence with DHS' contract with PHD, to allow Sojourn's participation in the TCM program until June 30, 2007. This 3-year agreement also meets the goal to minimize the volume of administrative items presented to the Board, making the process more efficient.

Mandates and Service Levels:

This is a non-mandated service. Targeted Case Management services for eligible Medi-Cal beneficiaries are set forth in United States Code (USC) Title 42, Section 1396b(g)(2) and in the State of California Welfare and Institutions (W&I) Code Section 14132.44.

This action does not change service levels for the County. The receipt of these funds will allow Sojourn to sustain and expand services.

Fiscal and Facilities Impacts:

The amounts of Federal Financial Participation revenues for Sojourn for the three years of this agreement are as follows:

Fiscal year 2004-05 (actual)	\$146,305
Fiscal year 2005-06 (projected)	\$566,530
Fiscal year 2006-07 (projected)	\$600,000

Subject: Agreement with Sojourn Services, Inc. 2004-07

Agenda Date: March 7, 2006

Page 3

The County Public Health Department will retain a ten (10%) fee to cover the cost of administering the TCM claiming process, including, but not limited to claims preparation in consultation with subcontractors, claims processing, technical assistance, training, auditing and assurance services, and coordination to ensure lack of duplication among case managers. These fees cover the costs incurred in PHD's Specialty Accounting program for salaries, benefits, and other expenditures. They are estimated to be approximately \$56,653 for fiscal year 2005-06 and \$60,000 for fiscal year 2006-07, and required to fulfill all fiscal intermediary obligations. In addition, the fees also contribute to offset the department's participation fee to the State to participate in the TCM program.

The State and County are held harmless by the subcontractors from any federal audit disallowance and interest resulting from payments made by the federal Medicaid program as reimbursement for claims for providing TCM services for disallowed claims and from any and all liabilities, claims, actions or judgments arising out of subcontractor's performance. In addition, the contracts cite that each subcontractor must retain a 5% audit reserve, until such time that audit liability has passed.

Special Instructions:

Please return two executed originals of the Agreement with Sojourn Services, Inc. along with a copy of the minute order to PHD Contracts Unit, 300 North San Antonio Road, Building 8, Santa Barbara, CA 93110

Attn: Margaret Granger (805) 681 5367.

Concurrence:

None required.