



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: February 25, 2020
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Dr. Alice Gleghorn, Behavioral Wellness Director (805) 681-4742
Director(s) Pamela Fisher, PsyD. Deputy Director of Clinical Operations,
Contact Info: Department of Behavioral Wellness, 681-5220
**SUBJECT: Adoption of a Resolution in Support of a State Waiver from the Institutions of
Mental Disease (IMD) Exclusion**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Risk Management

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- A. Adopt a Resolution (Attachment A) urging the State to apply for a waiver from the Institutions for Medical Disease (IMD) Exclusion which would allow federal Medicaid funding be used to cover services provided in facilities, including residential treatment facilities, with more than 16 beds, to individuals between ages 21 to under age 65 who suffer from severe mental illness;
- B. Authorize and direct the Director of Behavioral Wellness, or designee, to send the Resolution to Governor Gavin Newsom and the California Department of Health Care Services (DHCS); and
- C. Determine that the recommended action is not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5), finding that the action is the creation of a governmental funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

This item is on the agenda to adopt a Resolution urging the State to apply for a waiver from the IMD exclusion which would allow federal Medicaid funding be used to cover services provided in facilities, including residential treatment facilities, with more than 16 beds, to individuals between ages 21 to under age 65 who suffer from severe mental illness. Currently the County utilizes Mental Health Realignment

funds in order to cover these services. If the State applied and is approved for the IMD Exclusion waiver, this would allow State and County funds to be used for other critical community mental health needs.

Background:

In 1965, the Social Security Act was amended to establish the federal Medicaid and Medicare programs. Currently, Medicaid funding (known as Medi-Cal in California) cannot be used for institutional services provided to adults between ages 21 to under age 65 who suffer from serious mental illness (SMI) who are residing in an IMD, known as the IMD exclusion. An IMD is defined as a “hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services.” The exclusion was designed to assure that states, rather than the federal government, maintained primary responsibility for funding inpatient psychiatric services.

As outlined in Section 1115 of the Social Security Act, the U.S. Secretary of Health and Human Services may authorize a state to conduct experimental, pilot, or demonstration projects that, in the judgement of the Secretary, is likely to assist in promoting objectives of the Medicaid program. In November 2018, the Centers for Medicare and Medicaid Services (CMS) announced that the federal government would begin to consider state applications for a waiver of the IMD exclusion. This would allow states to receive Medicaid funding for services furnished to Medicaid beneficiaries with SMI during short term stays in IMDs in order to primarily receive mental health treatment. The waiver is not a permanent program as they are typically approved in 5-year intervals with the ability to extend for an additional 3 years.

The attached resolution is to support the State in pursuing this opportunity to apply for the IMD Exclusion waiver in order to benefit those who suffer from severe mental illness, including but not limited to County’s residents. Additionally, a waiver of the IMD exclusion would allow the State to draw on federal funds to increase availability of psychiatric beds, freeing up State and County funds for other critical community mental health needs.

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

The cost to the County for inpatient care is estimated to be anywhere from \$700,000 to \$3 million annually. Historically, the lack of federal funding for services delivered in IMDs disproportionately affects low-income communities, creating major financial burdens for consumers and the state through hospitalization. At present, a significant portion of the County’s Mental Health Realignment dollars are utilized to pay for inpatient psychiatric hospital stays, which are medically necessary but not federally reimbursable through Medicaid. If the State is approved for the IMD Exclusion waiver, this could result in a reduction of the use of County’s Mental Health Realignment dollars for costly inpatient mental health care.

Key Contract Risks: N/A

Staffing Impacts: N/A

Special Instructions:

Please email one (1) complete executed contract and one (1) minute order to dmorales@co.santa-barbara.ca.us and bwelcontractsstaff@co.santa-barbara.ca.us.

Attachments:

Attachment A: IMD Exclusion Waiver Resolution

Authored by: D. Morales