

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

October 21, 2025

FROM

GEORGINA YOSHIOKA, Director, Department of Behavioral Health

SUBJECT

Non-Financial Memorandum of Understanding with Kaiser Foundation Health Plan, Inc., for Medi-Cal Mental Health and Substance Use Disorder Services

RECOMMENDATION(S)

1. Approve non-financial **Memorandum of Understanding No. 25-835** with Kaiser Foundation Health Plan, Inc., for the Managed Care Plan, including non-standard terms, for the provision of coordination of benefits of Medi-Cal Mental Health and Substance Use Disorder services for Medi-Cal eligible individuals, for the period of October 21, 2025 through October 20, 2028, with an option to extend for two consecutive one-year periods.
2. Authorize the Director of the Department of Behavioral Health to execute and submit any subsequent non-substantive amendments to the Memorandum of Understanding, on behalf of the County, subject to review by County Counsel.
3. Direct the Director of the Department of Behavioral Health to transmit all amendments in relation to the Memorandum of Understanding to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Georgina Yoshioka, Director, 252-5142)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

This item does not impact Discretionary General Funding (Net County Cost) as the Memorandum of Understanding (MOU) is non-financial in nature.

BACKGROUND INFORMATION

The Department of Behavioral Health (DBH) is responsible for providing mental health and substance use disorder (SUD) services to San Bernardino County (county) residents experiencing severe mental illness and/or SUD. DBH, as the County's Mental Health Plan (MHP) and Drug Medi-Cal Organized Delivery System (DMC-ODS), is required by regulation (Title 9 of the California Code of Regulations Section 1810.370) and its Specialty Mental Health Services (SMHS) contract with the Department of Health Care Services (DHCS) to enter into MOUs with any Medi-Cal Managed Care Plan (MCP).

DBH works with two MCPs in the county: Inland Empire Health Plan (IEHP) and Molina Healthcare of California, Inc. (Molina). DBH has maintained MOUs with both MCPs for over 20 years to ensure that physical health services, SMHS, and DMC-ODS delivered to Medi-Cal

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clients are coordinated. Establishing an MOU will allow the MHP and MCP to develop and sustain a collaborative partnership for the coordination of SMHS and DMC-ODS for its MCP members who meet medical necessity criteria for services from DBH. MCPs provide non-specialty mental health services while DBH provides SMHS and SUD services through its network of care, which includes County clinics, Community Based Organizations, and fee-for-service providers, as the only system of care providing SMHS and DMC-ODS within the county.

DBH serves an average of 13,969 IEHP members and 1,594 Molina members per month. Kaiser Foundation Health Plan, Inc. (Kaiser) expects to assume responsibility for 25 percent, or approximately 3,493 Medi-Cal members previously allocated to IEHP in 2025-26.

The MOU clarifies roles and responsibilities between DBH and Kaiser, supports local collaboration, and facilitates the exchange of information to improve care coordination and referrals between the parties. The goal is to improve care coordination for Medi-Cal members and to promote the behavioral health of county residents by providing appropriate services to Kaiser members.

DHCS issued an MCP MOU template in 2023; deviations from this template are subject to review and approval by DHCS. The MOU with Kaiser omits certain County standard contract terms. The missing terms include the following:

1. The MOU does not prohibit Kaiser from assigning the MOU without the County's prior approval.
 - The County standard contract requires that the County must approve any assignment of a contract.
 - Potential Impact: Kaiser could assign the MOU without the County's knowledge to a third party or business that the County is legally prohibited from doing business with due to issues of Federal debarment or suspension.
2. There is no stated venue in the MOU.
 - County Policy 11-05 requires the venue for disputes be in the Superior Court of California, County of San Bernardino, San Bernardino District.
 - Potential Impact: Kaiser is not located in the county, and any legal dispute could be filed in a different county; in any event, the MOU could also be assigned to a third party without the County's consent, which may result in any legal disputes with the new entity having venue in a different court resulting in additional expenses to the County.
3. The MOU does not require Kaiser to indemnify the County, as required by County Policies 11-05 and 11-07.
 - The County standard contract requires that the contractor agrees to indemnify, defend, and hold the County harmless from third party claims arising out of the acts, errors, or omissions of any person.
 - Potential Impact: Kaiser is not required to defend, indemnify or hold the County harmless from any claims, including indemnification for claims arising from Kaiser's negligent or intentional acts, which could lead to additional expenses for the County.
4. The MOU does not require Kaiser to meet the County's insurance standards required pursuant to County Policies 11-05, 11-07 and 11-07SP.

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- County policy requires contracts to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and as set forth in County policy and the County standard contract.
 - Potential Impact: The County has no assurance that Kaiser will be financially responsible for claims that may arise under the MOU, which could result in expenses to the County that exceed the total MOU amount.
5. The MOU does not contain a termination for convenience provision.
- The County standard contract gives the County the right to terminate the contract, for any reason, with a 30-day written notice of termination without any obligation other than to pay amounts for services rendered and expenses reasonably incurred prior to the effective date of termination.
 - Potential Impact: The MOU does not allow the County to terminate the MOU for any reason and therefore the County may be limited to terminating the MOU for a material breach of the agreement by Kaiser.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Behavioral Health (Marianna Martinez, Administrative Supervisor II, 383-3940) on August 21, 2025; County Counsel (Dawn Martin, Deputy County Counsel, 387-5455) on September 5, 2025; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on September 9, 2025; and County Finance and Administration (Paul Garcia, Administrative Analyst, 386-8392) on October 2, 2025.

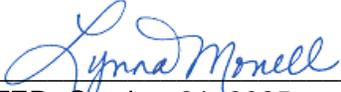
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: October 21, 2025



cc: DBH - Hibbard-Miller w/agree
Contractor - c/o DBH w/agree
File - w/agree
MBA 10/22/2025