

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

June 8, 2021

**FROM**

**VERONICA KELLEY, Director, Department of Behavioral Health**

**SUBJECT**

Standardized Contract Template Amendment for Contracts Providing Specialty Mental Health Services

**RECOMMENDATION(S)**

1. Approve a standardized contract template Amendment to amend contracts with providers for the provision of Specialty Mental Health Services in order to remove the County Contract Rate Provisions, effective March 1, 2020, as a result of the COVID-19 Public Health Emergency.
2. Authorize the Assistant Executive Officer of Human Services, the Deputy Executive Officer of Human Services, or the Director of the Department of Behavioral Health to execute the contract template Amendment with the providers of Specialty Mental Health services, and make any non-substantive changes on behalf of the County, subject to review by County Counsel.
3. Direct the Director of Behavioral Health to transmit all documents and amendments in relation to this action to the Clerk of the Board of Supervisors within 30 days of execution.
4. Authorize the Director of the Department of Behavioral Health or designee to submit the County Contract Rate form to the Department of Health Care Services to remove previously established county contract rate limits.

(Presenter: Veronica Kelley, Director, 388-0801)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

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

**FINANCIAL IMPACT**

This item does not impact Discretionary General Funding (Net County Cost). Specialty Mental Health Services are funded by 1991 and 2011 Realignment, Mental Health Services Act, and Short-Doyle Medi-Cal for services provided to eligible beneficiaries. Adequate appropriation and revenue have been included in the Department of Behavioral Health's (DBH) 2019-20 and 2020-21 budgets and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

Due to the COVID-19 Public Health Emergency (PHE), fewer Medi-Cal beneficiaries were able to attend appointments or receive services. As a result, some of DBH's contracted providers had costs per unit of service that exceeded the rates allowable in their contracts for 2019-20. Therefore, DBH is recommending removal of the County Contract Rate (CCR) Provisions and

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approval of a standardized contract template Amendment to amend impacted contracts so payments for incurred and future costs can be made to the contracted providers.

On April 30, 2020, the Department of Health Care Services (DHCS) issued Behavioral Health Information Notice (BHIN) 20-024 to address the fiscal challenges faced by counties and non-county providers of Specialty Mental Health Services (SMHS) due to the COVID-19 PHE and allow for flexibilities in the payment to and reimbursement for SMHS provided by non-county providers. Specifically, DHCS supports efforts by counties and non-county providers to explore financial strategies to mitigate the negative impacts of fewer services due to COVID-19 PHE directives resulting in fewer services rendered and higher costs per unit of service even though counties and providers are working to provide telehealth services wherever possible. DHCS is concerned about the potential negative impact of the trends on Medi-Cal beneficiaries' ability to access needed services in the short and long terms. As such, DBH has been collaborating with our non-county providers, Community Based Organizations (CBO), to mitigate the need for some providers to reduce, or consider reducing, their workforce to adjust for the decrease in demand and revenue, which has resulted in the recommendation for the removal of the CCR Provisions as currently implemented in DBH contracts.

DBH's contracts with CBO for the Provision of SMHS currently include CCR Provisions that limit payment for cost of services rendered to the maximum based upon the CCR for minutes/hours/days of time provided for each service, up to the maximum contract amount. However, the recent completion and submission of DBH's 2019-20 Cost Report to DHCS revealed that many CBO had higher costs per unit that exceeded the CCR due to the negative impacts of the COVID-19 PHE and DBH has been unable to make the related cost settlement payment to those CBO due to the CCR Provisions. Additionally, in 2020-21 some CBO have requested that their provisional rates be above CCR due to the ongoing impacts of the COVID-19 PHE. Therefore, to mitigate potential negative impact on Medi-Cal beneficiaries' ability to access needed services in the long terms, DBH is recommending the removal of the CCR Provisions currently implemented in DBH contracts effective March 1, 2020 as the official declaration date of the COVID-19 PHE, with no changes to the maximum contract amounts. DBH is also recommending a standard contract template amendment be approved by the Board of Supervisors to delegate the Assistant Executive Officer of Human Services, the Deputy Executive Officer of Human Services, or the Director of DBH to execute, to allow for this adjustment.

DHCS' BHIN 20-024 also allows for counties that have interim reimbursement from DHCS limited by the CCR previously established, to update or remove previously established CCR limits by submitting to DHCS the County Contract Rate form. In doing so, DHCS will reimburse counties the non-county share of the amount counties certify as a public expenditure for each claim not to exceed the amount the counties actually paid the provider for the service rendered. Therefore, to receive reimbursement from DHCS for payments made to CBO above CCR, DBH is recommending authorization for DBH to submit the County Contract Rate form to DHCS to remove the previously established CCR limits.

DBH is requesting authorization for the DBH Director to execute these contract amendments agreements because of the number of agreements necessary to be amended in a short period

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of time in order to meet the deadlines, as well as distributing the urgently needed funds to the providers.

**PROCUREMENT**

N/A

**REVIEW BY OTHERS**

This item has been reviewed by Behavioral Health Contracts (Natalie Kessee, Contracts Manager, 388-0869) on May 4, 2021; County Counsel (Dawn Martin, Deputy County Counsel, 387-5455) on May 4, 2021; Finance (Christopher Lange, Administrative Analyst, 386-8393) on May 21, 2021; and County Finance and Administration (Tanya Bratton, Deputy Executive Officer, 388-0332) on May 21, 2021.

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Record of Action of the Board of Supervisors  
County of San Bernardino

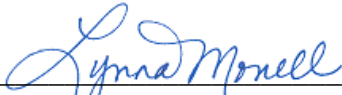
**APPROVED (CONSENT CALENDAR)**

Moved: Janice Rutherford Seconded: Joe Baca, Jr.

Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY

  
DATED: June 8, 2021



cc: File - Behavioral Health w/attach  
CCM 06/23/2021