

Setting the Standard in Health Care Excellence

December 10, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Approval of, and Authorization for the Ventura County Behavioral Health (VCBH) Director to Sign, the Standard Agreement with the California Department of Health Care Services for Specialty Mental Health and Substance Use Disorder Services for Medi-Cal Beneficiaries in a Zero-Dollar Amount, Effective January 1, 2025 Through June 30, 2027; and Approval of, and Authorization for the VCBH Director to Make Limited Modifications to and Extend the Term of the Agreement.

RECOMMENDATIONS:

1. Approval of, and authorization for the Ventura County Behavioral Health (VCBH) Director or designee to sign Standard Agreement with DHCS for Specialty Mental Health (SMHS) and Substance Use Disorder (SUD) services for Medi-Cal beneficiaries, in the amount of zero-dollars, effective January 1, 2025 through June 30, 2027. (Exhibit 1)
2. Approval of, and authorization for the VCBH Director or designee to sign future amendments to the Standard Agreement making corrections, clarifications, technical changes, and other modifications, provided that the changes are consistent with the original purpose of the Standard Agreement, do not result in additional cost to the County, and are approved by the County Executive Office and County Counsel.
3. Authorization for the VCBH Director or designee to extend the term of the agreement referenced in Recommendation No. 1, on the same or more favorable terms and conditions (with any changes in the Scope of Work to be consistent with the original purpose of the agreement). All extensions would be subject to all necessary prior appropriations and other budgetary approvals by your Board and review and approval as to form by County Counsel.

STRATEGIC PLAN PRIORITY:

The item presented in this Board letter ties to the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing equitable and timely access to quality mental health services.

FISCAL/MANDATES IMPACT:

The proposed recommendations do not have a fiscal impact.

DISCUSSION:

Recommendation #1:

Background

Under DHCS' California Advancing and Innovating Medi-Cal (CalAIM) initiative, counties are required to consolidate SMHS and SUD services into a single county-based behavioral health program, operated under a single, integrated contract between the counties and State. This requirement is effective January 1, 2027 for all counties. However, Ventura County and other counties have chosen to become early adopters and will implement behavioral health administrative integration effective January 1, 2025.

Towards this goal, VCBH is taking a proactive approach to administrative integration, aligning services across the Drug Medi-Cal Organized Delivery System (DMC-ODS) and SMHS systems. As an early adopter, VCBH is actively engaged in workgroup meetings with DHCS to shape the integration framework. The goal is to streamline operations, improve service coordination between SMHS and SUD services, and enhance compliance with reporting and billing requirements.

Starting January 1, 2026, integrated counties will be subject to a unified audit process, which will provide greater consistency in quality assurance efforts across both SMHS and SUD services. To align with streamlining the member experience, VCBH will have a unified 24/7 access line, integrated member materials, and cross-train staff to improve the department's ability to serve the diverse needs of the community.

DHCS Standard Agreement for Integrated SMHS and SUD Services: Through the proposed standard agreement with DHCS, VCBH will transition to a single integrated agreement for SMHS and SUD services for the term of January 1, 2025 through June 30, 2027. The Standard Agreement with DHCS specifies the Federal and State requirements that VCBH must meet to participate as the Mental Health Plan (MHP) and DMC-ODS Plan and claim Federal financial participation for the consolidated behavioral health services that will be provided to Medi-Cal beneficiaries. VCBH is designated as Ventura County's local MHP and DMC-ODS Plan by DHCS and is responsible for providing or arranging for the provision of specialty behavioral health services to Medi-Cal beneficiaries in Ventura County. Under the Standard Agreement, VCBH will be reimbursed for all medically necessary covered services provided to Medi-Cal beneficiaries.

DHCS is updating the Standard Agreement to comply with Federal regulations, as determined by the Centers for Medicare and Medicaid Services. Specifically, the proposed Standard Agreement reflects structural and substantive changes needed to implement behavioral health administrative integration within one agreement. To cover

the administration of SMHS and SUD services, new/revised terms and conditions exist throughout the Standard Agreement related to the scope of services, organization and administration, financial requirements, management information systems, quality improvement system, access and availability of services, provider network and timely access, coordination and continuity of care, information requirements, member problem resolution, program integrity, and reporting.

There is no change to the amount of the Standard Agreement; it remains at zero dollars. DHCS determined that this amount made the most sense because the funding that is used to pay for SMHS flows through different payment mechanisms (realignment distributions and estimated total cost of the Federal Financial Participation); the Standard Agreement is not the method by which those funds are paid to counties. In addition, the zero-dollar amount eliminates the need for contract amendments to change funding amounts based on actual or estimated expenditures.

VCBH recommends approval of and authorization for the VCBH Director or designee to sign the Standard Agreement with DHCS for SMHS and SUD services to Medi-Cal beneficiaries, in the amount of zero-dollars, effective January 1, 2025 through June 30, 2027.

Recommendation #2:

VCBH also recommends approval of, and authorization for the VCBH Director or designee to sign future amendments to the Standard Agreement making corrections, clarifications, technical changes, and other modifications, provided that the changes are consistent with the original purpose of the Standard Agreement, do not result in additional cost to the County, and are approved by the County Executive Office and County Counsel.

Recommendation #3:

VCBH requests authorization for the VCBH Director or designee to extend the term of the agreement referenced in Recommendation No. 1, on the same or more favorable terms and conditions (with any changes in the Scope of Work to be consistent with the original purpose of the agreement). All extensions would be subject to all necessary prior appropriations and other budgetary approvals by your Board and review and approval as to form by County Counsel.

This Board letter has been reviewed by the County Executive Office, Auditor Controller's Office, and County Counsel. If you have any questions regarding this item, please contact VCBH Behavioral Health Director Loretta L. Denering DrPH, MS at (805) 981-2214 or HCA Assistant Chief Financial Officer Narcisa Egan at (805) 973-5357.

Board of Supervisors
DHCS Integrated Agreement
December 10, 2024

Page 4 of 4



LORETTA L. DENERING, DrPH, MS
Behavioral Health Director



THERESA CHO, MD, MHA
Health Care Agency Director

Attachment:

Exhibit 1 – DHCS Integrated Agreement 24-40149