

February 27, 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 or Designee to Implement a Medi-Cal Specialty Mental Health Services (SMHS) Provider Incentive Plan, effective February 29, 2024 through June 30, 2024; Approval of an Amendment Template for the Medi-Cal SMHS Provider Incentive Plan; Authorization for the VCBH Director or Designee to Sign Amendments to Existing Medi-Cal SMHS Agreements for Incentive Plan Funds with Eligible Medi-Cal SMHS Providers, Increasing Their Combined Maximum Contract Amounts from \$21,512,381 to \$23,019,656 (an Increase of \$1,507,275), Effective Upon Execution through June 30, 2024. Recommendation No. 4 Requires 4/5ths Vote.

RECOMMENDATIONS:

1. Approval of, and authorization for the Ventura County Behavioral Health (VCBH) Director or designee to implement a Medi-Cal Specialty Mental Health Services (SMHS) Provider Incentive Plan (Incentive Plan) Exhibit 1, effective February 29, 2024 through June 30, 2024, and with any of the existing and eligible Medi-Cal SMHS Providers and in the amounts listed in Exhibit 2.
2. Approval of an amendment template for Medi-Cal SMHS Provider Incentive Plan Services (Exhibit 3).
3. Authorization for the VCBH Director or designee to sign Incentive Plan amendments to existing Medi-Cal SMHS Agreements with any of the eligible Medi-Cal SMHS Providers listed in Exhibit 2, increasing the combined maximum amount from \$21,512,381 to \$23,019,656 (an increase of \$1,507,275), effective upon execution through June 30, 2024, provided these amendments are substantially similar to the amendment template approved in Recommendation No. 2, do not result in additional costs or fiscal impacts to the County, and are reviewed and approved as to form by the County Counsel's office.

4. Authorization for the Auditor-Controller to process the necessary budgetary transactions to revise the following appropriations and revenue. (This recommendation requires 4/5ths vote):

MHSA Budget Division #3260

INCREASE	Services and Supplies	\$ 1,507,275
INCREASE	Intergovernmental Revenue	\$ 1,507,275

FISCAL MANDATES/IMPACT:

MHS Division #3260

Mandatory: No ☒ Yes ☐ Cite Authority: N/A
Source of Funding: Proposition 63 MHSA Funds
Funding Match Required: No
Impact on Other Department(s): None

	<u>FY 2023-24</u>	<u>FY 2024-25</u>
Summary of Revenue and Total Costs		
Revenue:	\$1,507,275	\$0
Costs:		
Direct Cost	\$1,507,275	\$0
Indirect - Dept.	\$0	\$0
Total Costs	\$1,507,275	\$0
Net County Costs	\$0	\$0

FY 2023-24 Adjusted Budget for MHS Division #3260				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$90,051,311	\$112,704,247	\$111,538,341	\$1,165,906
Revenue	\$86,774,914	\$103,366,310	\$119,906,214	\$16,539,904
Net Cost	\$3,276,397	\$9,337,937	(\$8,367,873)	\$17,705,810

STRATEGIC PLAN PRIORITY:

The items presented in this board letter tie to the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as they are designed to meet the goals of providing equitable and timely access to quality healthcare, mental health, and public health services.

DISCUSSION:

Recommendation #1

CalAIM is a California Department of Health Care Services initiative to reform and transform the Medi-Cal program by implementing a broad delivery system, program and payment reform, and knowledge learned from various successful pilot programs to transform the delivery of behavioral health services for Medi-Cal beneficiaries. In FY 2023-24, VCBH's Medi-Cal delivery system underwent a variety of CalAIM-related changes and significant transition, including: (1) significant revision to the Medi-Cal and Drug Medi-Cal agreements to reflect CalAIM's payment reform requirements, (2) implementation of a new electronic health record (EHR) to streamline and expand the way data is collected and managed, (3) and other service requirements that were designed to improve outcomes for Medi-Cal beneficiaries.

To support Medi-Cal SMHS providers through this transition, VCBH has designed a **one-time** Incentive Plan (Exhibit 1) that is designed to incentivize Medi-Cal SMHS Providers in meeting the new requirements and systems associated with CalAIM. The Incentive Plan structure is organized around four (4) key areas, each designed to optimize the delivery of behavioral health services and support Medi-Cal SMHS Providers in adapting to the evolving Medi-Cal landscape. Medi-Cal SMHS Providers may choose to participate in any one or all of the incentive categories. An overview of the incentive categories is provided below, however, Exhibit 1 provides a detailed overview:

1. **Fiscal Optimization** - Emphasizing financial efficiency and resource utilization, this category encourages Medi-Cal SMHS Contract Providers to explore strategies that contribute to overall cost-effectiveness while upholding the quality and accessibility of SMHS services.
2. **Ensuring Network Adequacy** - Network Adequacy is a critical aspect of delivering comprehensive care. Providers are incentivized to make their networks robust, meeting the diverse needs of the community and promoting accessibility to behavioral health services for all individuals who seek assistance.
3. **SmartCare Integration** - As part of the broader initiative to implement the new EHR, Medi-Cal SMHS Contract Providers who are not fully integrated into SmartCare are incentivized to seamlessly integrate into the system. This involves not only technical proficiency but also an understanding of how to leverage SmartCare to enhance patient care, streamline processes, and improve overall efficiency.
4. **Medi-Cal Certified Peer Support Specialist Program** - Acknowledging the significance of peer support in behavioral health, this category focuses on the Medi-Cal SMHS Providers participating in the Medi-Cal Certified Peer Support Specialist program. The incentive focuses on fostering a supportive environment

that leverages the unique insights and experiences of peer support specialists to enhance the overall quality of care.

The Incentive Plan program is only available to Medi-Cal SMHS Providers that have rate-based contracts with VCBH, excluding contracts that are cost reimbursed or day rate based (Exhibit 2). The Incentive Plan payments available to each eligible Medi-Cal SMHS Provider are fixed amounts that were developed by creating a tier system based on Medi-Cal SMHS Providers' individual contract amounts. The incentive payments vary by Medi-Cal SMHS Provider from \$105,525 to \$185,850, for a combined not to exceed amount of \$1,507,275 (Exhibit 2). Qualified Medi-Cal SMHS Contract Providers will receive up to 100% of the incentive funding if all incentive category deliverables are met.

To qualify for payments within each incentive category, Medi-Cal SMHS Providers must submit identified deliverables and report their achievements by the specified reporting period due date. VCBH will provide a comprehensive reporting template with detailed instructions. This structured reporting approach ensures clarity and consistency, capturing the tangible impact of the Medi-Cal SMHS Provider's efforts in each category and fostering transparent communication throughout the Incentive Plan program. VCBH's Incentive Plan reflects a commitment to not only incentivizing excellence but also to fostering a collaborative environment that continually enhances the delivery of behavioral health services.

VCBH recommends approval of, and authorization for the VCBH Director or designee to implement the Incentive Plan, effective February 29, 2024 through June 30, 2024.

Recommendations #2 and #3

To facilitate roll-out of the Incentive Plan and include funding related to Incentive Plan services into existing and eligible Medi-Cal SMHS Provider agreements, VCBH requests: (1) approval of the amendment template in Exhibit 2 and (2) authorization for the VCBH Director or designee to sign amendments for Incentive Plan services with any of the Medi-Cal SMHS Providers in Exhibit 2, increasing the combined maximum amount from \$21,512,381 to \$23,019,656 (an increase of \$1,507,275), effective upon execution through June 30, 2024, provided these amendments are substantially similar to the amendment template approved in Recommendation No. 2, do not result in additional costs or fiscal impacts to the County, and are reviewed and approved as to form by the County Counsel's office.

Recommendation #4

To ensure that sufficient appropriations are available for the proposed Medi-Cal Specialty Mental Health Services (SMHS) Provider Incentive Plan Program, VCBH is also recommending authorization for the Auditor-Controller to process the necessary

budgetary transactions to increase appropriations and revenue in VCBH Division 3260, as discussed above in Recommendation #4.

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 Interim Behavioral Health Director Loretta L. Denering at (805) 981-2214 or HCA Assistant Chief Financial Officer Narcisa Egan at (805) 973-5357.


LORETTA L. DENERING, DRPH, MS
Interim Behavioral Health Director
BARRY L. ZIMMERMAN
Health Care Agency Director

Attachments:

- Exhibit 1 – Medi-Cal SMHS Provider Incentive Plan
- Exhibit 2 – FY 2023-24 VCBH Eligible Medi-Cal SMHS Provider Incentive Plan Agreements Summary
- Exhibit 3 – Medi-Cal SMHS Provider Incentive Plan Amendment Template