



HEALTH SERVICES AGENCY
ADMINISTRATION

COUNTY OF SANTA CRUZ

HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE
SANTA CRUZ, CA 95061
(408) 454-4066 FAX: (408) 454-4488
TDD: (408) 454-4123

September 8, 1998

AGENDA: October 6, 1998

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: Managed Care Report for Mental Health and Related Actions

Dear Members of the Board:

Background:

As indicated in previous correspondence, the State Department of Mental designed a phased in managed care program for Medi-Cal Mental Health Services. In January of 1995, the County assumed responsibility for Medi-Cal inpatient services for persons needing mental health care. In June of 1998, the County assumed responsibility for Medi-Cal outpatient services. This most recent phase of managed care has been very complex and adjustments to the program are still needed. This letter provides a brief update on activities to date and proposes changes which are necessary to insure program compliance with state and federal requirements.

Analysis:

The inpatient managed care program has continued to run smoothly and within budget. No specific changes are required at this time.

The outpatient program has only been operational for four (4) months and has had high utilization of adult services and lower than expected utilization of children's services. With the beginning of the school year, however, there has been an increase in children's referrals.

At this time, several administrative components of outpatient managed care implementation require additional refinement in order for the program to operate smoothly and efficiently. Recommended changes are discussed below.

State Contract Amendment:

On May 5, 1998, your Board approved the State Managed Care contract which defined state and county responsibilities through June 30, 2000. In August, the state forwarded an Amendment to that contract to the county for processing. This Amendment corrects a minor clerical error, further refines county responsibility around client documentation, and adds a small amount of funding for services delivered to clients residing in residential facilities which are known as Institutions for Mental Disease (IMD).

Quality Improvement Program:

Managed care requirements include significant additional administrative activities to insure quality of care. Quality Improvement (QI) has been an integral part of clinical services delivered by County Mental Health for the past 10 years, but the scope of work and responsibilities have been modest with only limited State requirements. The responsibilities of the QI program have been expanded to include assuring compliance with all Medi-Cal and Medicare requirements in medical records, clinical documentation, clinic certification, appeals of denials for care, tabulation of clinical denials for deduction from the Cost Report and eligibility/benefit systems. These additional responsibilities require more computer and accounting skills from staff.

In December, 1993, two clerical positions were added to support the Program Manager who oversees the QI program. At that time, limited typing, accounting, and computer skills were required of these support positions. With both of these positions now vacant, an opportunity exists to address the need for these additional skills in the QI support positions. It is recommended that your Board approve the addition and deletion of the following vacant positions:

- Add 0.5 Senior Account Clerk
- Add 1 .O Typist Clerk III
- Delete 0.5 FTE Clerk II (BA6-002XA)
- Delete 1.0 FTE Clerk II (BA6-001AA)

These changes will allow the Quality Improvement section to address the expanded requirements of managed care and minimize audit risk created by non-compliance with rules and regulations. County Mental Health has budgeted funds for these classification changes in the FY 1998-99 budget and therefore, no new funds are needed nor requested.

Data Support:

The managed care program has required additional computer software for tracking treatment authorizations, denials and provider claims. Software and hardware to automate physician documentation was included in the 1998-99 budget for the managed care program, but specific fixed assets were not included as program needs were still being studied. Computer servers are needed for the North and South County clinics to support the managed care software. The HSA Information Services staff and software vendor consultant have recommended purchase of two computer servers at a maximum cost of \$3,500 per server. It is recommended that your Board approve the purchase of these two fixed assets.

Additional changes to the managed care program are still being studied. In future reports to your Board these will be addressed. The State Department of Mental Health audited the


managed care program during the last week of September and results of this audit may provide additional information on further required changes.

Recommendations:

It is, therefore, RECOMMENDED that your Board take the following actions:

1. Approve the addition and deletion of the following positions: (1) Add 0.5 FTE Senior Account Clerk; (2) Add 1.0 FTE Typist Clerk III; (3) Delete 0.5 FTE Clerk II (BA6-002XA); and (4) Delete 1.0 FTE Clerk II (BA6-001AA);
2. Approve the purchase of two computer PC/Servers at a cost not to exceed \$3,500 each;
3. Approve the attached \$7,000 Transfer of Appropriations (AUD-74) between operating expense and fixed asset accounts;
4. Approve the attached amendment to the State Managed Care contract and authorize the Health Services Administrator to sign; and
5. Accept and file this report on Mental Health Managed Care.

Sincerely,



Charles M. Moody
Health Services Agency Administrator

CM:RK:GK:ep
Attachments

RECOMMENDED



Susan A. Mauriello
County Administrative Officer

cc: County Administrative Office
Auditor-Controller
County Counsel
Personnel - 701
HSA Personnel

HSA Administration
Community MH Administration
SEIU

COUNTY OF SANTA CRUZ
REQUEST FOR TRANSFER OR REVISION
OF BUDGET APPROPRIATIONS AND/OR FUNDS

124

Department: Health Services Agency (Mental Health)

Date: September 15, 1998

TO: Board of Supervisors / County Administrative Officer / District Board

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending **June 30, 19 99**

AUDITORS USE ONLY				
DOCUMENT #	AMOUNT	L/N	T/C HASH	
BD		0.2	0.43	

BATCH #	
DATE	

		T/C	INDEX	SUBJECT	PRJ/UCD	AMOUNT	DESCRIPTION
T R A N S F E R	T O	0 2 1	3 6 3 1 0 3	8 4 0 4	I I I I I	7 0 0 0 0 0	Fixed Assets
		I I	I I I I I	I I I	I I I I I	I I I I I	
		I I	I I I I I	I I I	I I I I I	I I I I I	
F R O M		0 2 2	3 6 3 1 0 3	3 4 5 1	, , , , ,	7 0 0 0 0 0	Miscellaneous Expense

Explanation: To fund the purchase of two PC/Servers for physician documentation automation.

Name Don McArthur Title Chief Fiscal Services - HSA

Auditor-Controller's Action: I hereby certify that unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated above.

Auditor-Controller, by Linda T. Chou, Deputy Date 9/23/98

County Administrative Officer's Action: ☒ Recommended to Board ☐ Approved ☐ Not Recommended or Approved

County Administrative Officer Ed Schen Date 9/24/98

State of California }
County of Santa Cruz } ss. As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing request for transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on

_____, 19____, BY _____, Deputy Clerk

Distribution:
30
White - Board of Supervisors
Yellow - Auditor-Controller

Green - County Administrative Officer
Pink - Originating Department

Goldenrod - Departmental Control Copy

COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

125

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: HEALTH SERVICES AGENCY (Mental Health) (Dept.)
Charles M. Mandy (Signature) 9/21/98 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

- Said agreement is between the County of Santa Cruz (Community Mental Health) (Agency) and the State of California Department of Mental Health, 1600 9th St., Sacramento, CA 95814 (Name & Address)
- The agreement will provide mental health managed care funding for residents of Santa Cruz County.
- The agreement is needed to provide the above.
- Period of the agreement is from June 1, 1998 to June 30, 2000
- Anticipated cost is \$ N/A (Fixed amount; Monthly rate; Not to exceed)
- Remarks: Amendment to Multi-Year Revenue Agreement.
- Appropriations are budgeted in N/A 363101 (Index#) N/A 0626 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations ~~are~~ available and ~~have been~~ encumbered. Contract No. R-680 Date 9/23/98
NA GARY A. KNUTSON, Auditor - Controller
By Leida T. Chou Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the Health Services Administrator to execute the same on behalf of the

Health Services (Agency).

County Administrative Officer

Remarks: ES (Analyst)

By Ed Sch Date 9/24/98

Agreement approved as to form. Date _____

Distribution:

Bd. of Supv. - White
Auditor-Controller - Blue
County Counsel - Green *
Co. Admin. Officer - Canary
Auditor-Controller - Pink
Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.

State of California)
County of Santa Cruz) ss
I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered
in the minutes of said Board on _____ County Administrative Officer
_____ 19 _____ By _____ Deputy Clerk

STANDARD AGREEMENT

APPROVED BY THE
ATTORNEY GENERAL

CONTRACT NUMBER

97-77252

AM NO
126

STD 2 (REV 6 91)

TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER

94-6000534

THIS AGREEMENT, made and entered into this 15th day of June, 1998

in the State of California, by and between State of California, through its duly elected or appointed, qualified and acting

TITLE OF OFFICER ACTING FOR STATE

AGENCY

DEPUTY DIRECTOR

Department of Mental Health

, hereafter called the State, and

CONTRACTOR'S NAME

Santa Cruz County Mental Health Community Health Services

, hereafter called the Contractor

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulations of the State hereinafter expressed, does hereby agree to furnish to the State services and materials as follows: (Set forth service to be rendered by Contractor, amount to be paid Contractor, time for performance or completion, and attach plans and specifications, if any.)

In that certain agreement by and between the Department of Mental Health and Santa Cruz County Mental Health; the parties thereto desire to amend said agreement to:

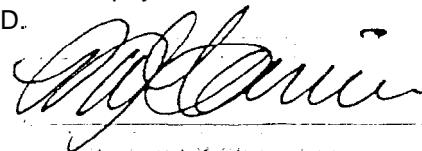
* Page 11 (Table 1 and Table 2) attached and by this reference incorporated herein.

* Page 19, Article VII - Payment, Section A is amended to read:

The amount payable for the 1997-98 Fiscal Year ending June 30, 1998 for professional services for beneficiaries who are residing in Institutions for Mental Disease is \$950.00. The total amount payable for the 1997-98 Fiscal Year ending June 30, 1998 is \$129,138.00. Any requirement of performance by the Department and the Contractor for the period of the contract subsequent to June 30, 1998 will be dependent upon the availability of future appropriations by the Legislature for the purpose of this contract.

The amount payable for the 1998-99 Fiscal Year ending June 30, 1999 and the amount payable for the 1999-2000 Fiscal Year ending June 30, 2000 will be established pursuant to Section D.

All other terms and conditions remain the same.



CONTINUED ON _____ SHEETS, EACH BEARING NAME OF CONTRACTOR AND CONTRACT NUMBER

The provisions on the reverse side hereof constitute a part of this agreement.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

STATE OF CALIFORNIA		CONTRACTOR	
AGENCY Department Of Mental Health		CONTRACTOR Santa Cruz County Mental Health Community Health Services	
BY (AUTHORIZED SIGNATURE)		BY (AUTHORIZED SIGNATURE)	
PRINTED NAME OF PERSON SIGNING LINDA A. POWELL, DEPUTY DIRECTOR		PRINTED NAME AND TITLE OF PERSON SIGNING	
TITLE Administrative Services		ADDRESS 1400 Emeline Avenue Santa Cruz, CA 95061	
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 950.00	PROGRAM/CATEGORY (CODE AND TITLE) 10.25 - Community Services - Other		FUND TITLE General Fund
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ 128,188.00	(OPTIONAL USE)		
TOTAL AMOUNT ENCUMBERED TO DATE \$ 129,138.00	ITEM 4440-I 03-0001	CHAPTER 282	STATUTE 1997 FISCAL YEAR 97-98
OBJECT OF EXPENDITURE (CODE AND TITLE) Index 4244, PCA 23334, Object 702			
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER 30		DATE	
<input type="checkbox"/> CONTRACTOR <input type="checkbox"/> STATE AGENCY <input type="checkbox"/> DEPT OF GEN SER <input type="checkbox"/> CONTROLLER <input type="checkbox"/>			

STANDARD AGREEMENT

STD 1 (REV 5-91) (REVERSE)

a 27

- 1 The Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work services, materials or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Contractor in the performance of this contract.
- 2 The Contractor, and the agents and employees of Contractor, in the performance of the agreement, shall act in an independent capacity and not as officers or employees or agents of the State of California.
- 3 The State may terminate this agreement and be relieved of the payment of any consideration to Contractor should Contractor fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. The cost to the State shall be deducted from any sum due the Contractor under this agreement, and the balance, if any, shall be paid the Contractor upon demand.
- 4 Without the written consent of the State, this agreement is not assignable by Contractor either in whole or in part.
- 5 Time is of the essence in this agreement.
- 6 No alteration or variation of the terms of this contract shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.
- 7 The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided.

ARTICLE V - DUTIES OF THE CONTRACTOR

In discharging its obligations under this contract, the Contractor shall perform the following:

A. Provision of Services

Provide, or arrange and pay for, covered services to beneficiaries, as defined for the purposes of this contract, of Santa Cruz County.

In determining whether a service is covered under this contract based on the diagnosis of the beneficiary, the Contractor may not exclude a beneficiary solely on the grounds that the provider making the diagnosis has used the International Classification of Diseases (ICD) diagnosis system rather than the system contained in the Diagnostic and Statistical Manual (DSM) of the American Psychiatric Association. For services provided pursuant to Section C, the Contractor will consider the following ICD-9 diagnoses codes as included, For any other service, the Contractor may consider these codes as included or may require the provider to use DSM IV.

Table 1 - Included ICD-9 Diagnoses - All Places of Services Except Hospital Inpatient

295.00 - 298.9	302.8 - 302.9	311 - 313.82
299.1 - 300.89	307.1	313.89 - 314.9
301.0 - 301.6	307.3	332.1 - 333.99
301.8 - 301.9	307.5 - 307.89	787.6
302.1 - 302.6	308.0 - 309.9	

*Note: Treatment of diagnoses 332.1 - 333.99, Medication Induced Movement Disorders, is a covered service only when the Medication Induced Movement Disorder is related to one or more included diagnoses.

Table 2 - Included ICD-9 Diagnoses - Hospital Inpatient Place of Service

290.12 - 290.21	299.10 - 300.15	308.0 - 309.9
290.42 - 290.43	300.2 - 300.89	311 - 312.23
291.3	301.0 - 301.5	312.33 - 312.35
291.5 - 291.89	301.59 - 301.9	312.4 - 313.23
292.1 - 292.12	307.1	- 313.8 - 313.82
292.84 - 292.89	307.20 - 307.3	313.89 - 314.9
295.00 - 299.00	307.5 - 307.89	787.6

B. Availability and Accessibility of Service

Ensure the availability and accessibility of adequate numbers of institutional facilities, service locations, service sites, and professional, allied and supportive personnel to provide medically necessary services, and ensure the authorization of services for urgent conditions on a one hour basis

- ATTACHMENT C--Documentation Standards For Client Records. Page 2, Section B1. Client Plans, after the words "In addition," is amended to read:

- In addition,
 - client plans will be consistent with the diagnoses, and
 - the focus of intervention will be consistent with the client plan goals, and
 - there will be documentation of the client's participation in and agreement with the plan. Examples of documentation include, but are not limited to, reference to the client's participation and agreement in the body of the plan, client signature on the plan, or a description of the client's participation and agreement in progress notes.
 - client signature on the plan will be used as the means by which the MHP documents the participation of the client when
 - the client is a long term client as defined by the MHP, and
 - the client is receiving more than one type of service from the MHP
 - when the client 's signature is required on the client plan and the client refuses to sign or is unavailable for signature, the client plan will include a written explanation of the refusal or unavailability
 - the MHP will give a copy of the client plan to the client on request.

All other terms and conditions remain the same