

537



**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FROM:** Director of Mental Health

**SUBMITTAL DATE:**

July 22, 2004

**SUBJECT:** Ratification of Fiscal Year 2004/05 Contracts with Valley Health Systems

**RECOMMENDED MOTION:** Move that the Board of Supervisors:

- 1) Ratify the Department of Mental Health contracts with Valley Health System, and;
- 2) Authorize the Chairman of the Board to sign the agreements.

**BACKGROUND:** On December 6, 1994, Agenda No. 3.25, the Board approved a motion to authorize the Department of Mental Health to function as the Mental Health Plan (MHP) for Riverside County Medi-Cal beneficiaries, with the Director of Mental Health serving as the plan administrator.

Continued on Page 2...

**THESE AGREEMENTS HAVE BEEN FORM APPROVED BY THE OFFICE OF COUNTY COUNSEL.**

Departmental Concurrence

*John J. Ryan*  
 \_\_\_\_\_  
 John J. Ryan, Director  
 Department of Mental Health

JJR:TN

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$99,084	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	FY04/05
<b>SOURCE OF FUNDS:</b> State 100%				Positions To Be Deleted Per A-30 <input type="checkbox"/>
				Requires 4/5 Vote <input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**

County Executive Office Signature

*Dan Martin*  
 \_\_\_\_\_

Consent  
 Policy  
 Consent  
 Policy  
 Dept't Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.:

District: All

Agenda Number:

**3.48**

SUBJECT: Ratification of Fiscal Year 2004/05 Contracts with Valley Health System

**Background (Cont'd):**

The MHP is to systematically consolidate Short/Doyle and Fee for Service Medi-Cal mental health services to create an integrated Medi-Cal Managed Care Mental Health System operated at the County level. As administrator of the Riverside County MHP, the Department is responsible for authorization and payment of the State Medi-Cal match for all medically necessary acute psychiatric inpatient hospital services for Riverside County Medi-Cal beneficiaries.

According to Title 9, CCR, Section 1810.430 (a), we are required to contract with Traditional Hospitals. Section 1810.252 defines Traditional Hospitals as a hospital that provides services to beneficiaries that account for five percent (5%) or twenty thousand dollars (\$20,000), whichever is more, of the total fiscal year Fee-For-Service Medi-Cal psychiatric inpatient hospital service payments for our beneficiaries. The state notified the Department on May 17, 2004, that this provider meets the threshold as a Traditional Hospital.

The services provided by this hospital include psychiatric inpatient hospital services for seriously mentally ill adults in need of acute psychiatric inpatient hospital services. Specific services include psychiatric evaluation and treatment services, routine medical, education, room and board, and all necessary reports. These agreements establish the terms between the County and this participating hospital so inpatient consolidation can occur uniformly within the County.

The hospital contract that reflects zero maximum obligation is paid by State Medi-Cal directly to the provider for those services utilized. Medi-Cal beneficiaries are the only clients covered by this contract. The State offsets payments made on our behalf by a corresponding reduction in the County's portion of State Realignment funds.

The Indigent Services contract will allow the department to authorize indigent inpatient services for seriously mentally ill indigent adults. Reimbursement will only be made for approved services. The full amount of the contract may not be utilized, but it gives the Department the flexibility to insure that consumers needing indigent mental health services are being served.

Please note that these agreements are now being submitted for Board ratification as the Department just completed negotiations with Valley Health Systems.

Attachment A illustrates the funding source and maximum contract amount. There are sufficient funds in the Department's proposed budget for fiscal year 2004/05 to provide for this contract and no additional County funds are required. The contracts contain termination provision in case of unavailability of any Federal, State, and/or County funds.

**ATTACHMENT A  
RIVERSIDE COUNTY DEPARTMENT OF MENTAL HEALTH  
FUNDING CODE/SOURCE & MAXIMUM CONTRACT AMOUNT, FY 2004/05**

<u>CONTRACT NAME</u>	<u>FUNDING CODE/SOURCE</u>	<u>CONTRACT AMOUNT</u>
<b>MANAGED CARE – Mental Health Plan – Medi-Cal</b>		
Valley Health System	100% State	\$0

This contract reflects a zero maximum obligation as the State pays the provider directly and is not included in the County budget process.

**MANAGED CARE – Indigent Services**

Valley Health System	10000-4100208076-530280 100% State	\$99,084
----------------------	---------------------------------------	----------