



AGENDA _____ June 18, 2024

Colleen Chawla
Director

1000 San Leandro Boulevard
Suite 300
San Leandro, CA 94577

TEL (510) 618-3452
FAX (510) 351-1367

Health.AlamedaCountyCA.gov

May 21, 2024

The Honorable Board of Supervisors
County of Alameda
1221 Oak Street
Oakland, California 94612

SUBJECT: AUTHORIZE AN INCREASE TO PAYMENTS FOR EMERGENCY AND POST-STABILIZATION INPATIENT PSYCHIATRIC CARE FOR ALAMEDA COUNTY MEDI-CAL BENEFICIARIES OVER A THREE-YEAR PERIOD BY \$960,000

Dear Board Members:

RECOMMENDATION:

Authorize Alameda County Health Director or designee to increase payments for emergency and post-stabilization inpatient psychiatric care for Alameda County Medi-Cal beneficiaries to out-of-network hospitals up to a maximum Fiscal Year 2023-26 funding allocation from \$1,950,000 to \$2,910,000 (\$960,000 increase).

DISCUSSION/SUMMARY:

Alameda County Health, Behavioral Health Department (ACBHD) is requesting approval to increase the amount available to authorize payments for inpatient stays for Alameda County Medi-Cal beneficiaries who are admitted to a hospital in California for psychiatric care that is not under contract with ACBHD.

Title 42 of the Code of Federal Regulations, Section 438.114 stipulates that Prepaid Inpatient Health Plans (PIHP) must cover and pay for emergency services regardless of whether the provider that furnishes the services has a contract with the PIHP. ACBHD is defined as a PIHP regarding Specialty Mental Health Services under its contract with the Department of Health Care Services (DHCS). The Bronzan-McCorquodale Act of 1991 (Welfare and Institutions Code Section 5600) added to this regulation when it realigned the responsibility for the provision of community mental health services to counties and provided a dedicated funding source from sales tax and vehicle license fee revenues. Counties are expected to use that funding to cover the costs of acute psychiatric inpatient hospital services provided at Institutions for Mental Diseases.

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ACBHD has covered this responsibility by entering into ongoing contracts with local hospitals including Alameda Health System and Sutter Bay Hospitals dba Alta Bates Summit Medical Center-Herrick Campus. These facilities continue to cover the need for many Alameda County Medi-Cal beneficiaries. In recent years, a challenge has emerged when an Alameda County beneficiary was admitted to a hospital that ACBHD does not have under contract. Under the terms of the above-referenced laws and regulations, ACBHD Utilization Management are required to authorize treatment upon the hospital submitting a valid Treatment Authorization Request (TAR). Hospitals expect payment upon submission of the TAR and invoice to ACBHD, as is the custom with other counties in California. The contracting process is not required by other counties; therefore, hospitals are reluctant to engage in the Alameda County contracting process, which leaves ACBHD at risk for being out of compliance with Federal and State law and in its contract with DHCS.

Out-of-network hospital admissions account for less than two percent of all in-patient stays authorized by ACBHD, as most inpatient stays occur at John George Psychiatric Hospital. In Fiscal Year (FY) 2023-24, ACBHD has authorized over 450 days of in-patient stays to date. ACBHD reimburses hospitals at the regional rate set by the State and published for the use of all counties to support continued access to services in accordance with regulatory standards.

ACBHD is returning to your Board to increase the amount for this year, since it is required to continue meeting regulatory standards. On August 1, 2023 (Item No. 15), your Board approved payments up to \$1,950,000 for FY 2023-26. As of March 27, 2024, ACBHD expenditures for FY 2023-24 were \$635,000 with a projection of nearly \$970,000 needed to pay invoices in compliance with regulatory requirements through June 30, 2024, and \$2,910,000 needed to pay invoices in compliance with regulatory requirements through June 30, 2026.

On November 15, 1977, your Board approved a resolution to delegate authority for a revolving and cash difference fund. On July 29, 1997 (Item No. 5), your Board approved the additional staffing and budget increase for consolidated Short-Doyle Medi-Cal for Fee-For-Service and inpatient hospitals. Claims for out-of-county hospital admissions are paid out of ACBHD SmartCare, an Accounts Payable and Billing System, which replaced eCURA and allows for centralized tracking of authorizations, payments, and automated remittance advice which documents services paid.

ACBHD ensures appropriate internal controls to align with standards of the Auditor-Controller to demonstrate integrity of the financial and accounting information, promote accountability, improve operational efficiency and prevent fraud. All invoices are reviewed by ACBHD staff to ensure that only services authorized on the TAR are reimbursed and that reimbursement occurs in accordance with regulatory requirements. The centralized payments through SmartCare allows ACBHD to pay claims within established timeframes from ACBHD receipt of a valid invoice, and to respond timely and accurately to specific questions from providers on what services were and were not paid and the rationale for any services that were not paid. Your Board's approval will ensure ACBHD to continue to reimburse for these acute psychiatric hospital services provided to Alameda County clients.



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SELECTION CRITERIA:

Under this process, psychiatric treatment of an Alameda County resident at an in-patient facility will be selected and authorized on the basis of a TAR approved by ACBHD for medical necessity.


FINANCING

Appropriations for these services will be offset by 2011 Realignment already included in the ACBH FY 2023-24 Budget and is and will be requested in subsequent years. There is no increase in net County costs as a result of your approval.

VISION 2026

Emergency and post-stabilization inpatient psychiatric care meet the 10X goal pathway of **Healthcare for All** in support of our shared visions of a **Thriving & Resilient Population**, and **Healthy Environment**.

Sincerely,

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Colleen Chawla, Director
Alameda County Health