

COUNTY OF LOS ANGELES

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DEPARTMENT OF MENTAL HEALTH

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December 03, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 December 3, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO TERMINATE ALL
1115 WAIVER DEMONSTRATION PROJECT
COMMUNITY PARTNER AGREEMENTS
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request to terminate effective January 1, 2014, the 1115 Waiver Demonstration Project Community Partner Agreements due to the sunset of the Low Income Health Program under California's 1115 Waiver Demonstration Project.

IT IS RECOMMENDED THAT THE BOARD:

Approve and authorize the Director of Mental Health (Director), or his designee, to terminate the current 1115 Waiver Demonstration Project Community Partner Agreements with the agencies listed in the Attachment, effective December 31, 2013.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Low Income Health Program (LIHP) under the State of California's 1115 Waiver Demonstration Project (Waiver) is scheduled to sunset on December 31, 2013, in anticipation of Medicaid Coverage Expansion effective January 1, 2014, under the federal Patient Protection and Affordable Care Act (ACA). On this date, all LIHP enrollees under the Waiver will automatically be enrolled in Medicaid (Medi-Cal in California) and will be eligible to receive Specialty Mental Health Services via a new benefit package funded by Medi-Cal. After December 31, 2013, LIHP enrollees will no longer require services funded through the Waiver initiative, and as a result, the Department of Mental Health (DMH) will no longer be required to reimburse providers for Specialty Mental Health services

provided under these Agreements.

Implementation of Strategic Plan Goals

The recommended actions are consistent with County Strategic Plan Goal 3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

As of January 1, 2014, DMH will have no further financial obligation to reimburse any 1115 Waiver Demonstration Project Community Partners for Specialty Mental Health services related to the LIHP under the State of California's 1115 Waiver due to its sunset on December 31, 2013.

There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On November 2, 2010, the California Department of Health Care Services entered into a five-year Waiver through the Centers for Medicare and Medicaid Services known as the California Bridge to Reform. The Waiver enabled the State of California to deviate from certain statutory Medicaid requirements stipulated in the approved State Medicaid Plan. In particular, the Waiver provided health care coverage expansion and federal matching funds for eligible uninsured individuals between the ages of 19 and 64.

The health care coverage expansion section of the Waiver provided the framework for federal health care reform through the establishment of the LIHP, which includes Medicaid Coverage Expansion, to individuals previously unqualified for federally-compensated care under Medicaid. The mechanism for Medicaid Coverage Expansion in Los Angeles County became the "Healthy Way L.A. Health Care Initiative" (Healthy Way L.A.) Program, managed by the County's Department of Health Services through its directly-operated health centers and contracted providers known as Community Partners.

A key component of the Waiver was reforming the health care delivery system through the creation of the Patient-Centered Medical Home model, which integrated behavioral/mental health and primary care services. To support this initiative, DMH entered into 1115 Waiver Agreements with the Community Partners listed on the Attachment through an A-4 Board Agenda Item adopted on June 14, 2011. Under these Agreements, DMH provided the Community Partners with the necessary funds and technical assistance to implement an evidence-based practice known as the Mental Health Integration Program (MHIP), intended to identify and treat adults experiencing moderate psychiatric symptoms in primary care settings, thereby streamlining access to treatment. DMH also assisted in the creation of partnerships between the Community Partners and DMH Legal Entity contract providers for the referral of clients who require a higher level of care than is provided in MHIP.

At the time the Agreements were originally executed, the exact date on which the Medicaid Expansion Coverage would be implemented was not known. As a measure to avoid any unforeseeable factors that may have delayed the implementation of the expansion, DMH elected to set an expiration date of December 31, 2014, for these Agreements to ensure services to Healthy Way L.A. enrollees would not be interrupted. However, with no evidence that the implementation of Medicaid Coverage Expansion will be delayed, DMH intends to terminate these Agreements on December 31, 2013, consistent with the expiration of the LIHP initiative.

DMH, in accordance with the 1115 Waiver Demonstration Project Community Partner Agreement termination provision, shall notify the Community Partners in writing regarding the termination of their Agreements. The vast majority (19) of Community Partners are Federally Qualified Health Centers (FQHCs) with mental health in scope of project, which will enable them to bill Medi-Cal directly to the State of California for services rendered to Medi-Cal-eligible existing and new clients as of January 1, 2014. Four (4) Community Partners are FQHCs without mental health in scope of project and do not have the capacity to bill Medi-Cal for mental health services. DMH program administration staff worked closely with these Community Partners to ensure that an appropriate discharge plan is in place for clients ready to end their treatment prior to December 31, 2013, and an appropriate transfer plan is in place for any client requiring ongoing services following termination of the Agreement. Additionally, DMH program administration staff worked closely with all of the Community Partners to ensure that they will continue to maintain the partnerships they established with DMH Legal Entity contract providers and continue to refer clients in a timely fashion.

DMH will continue to make payments to these Community Partners for any services provided prior to the termination of the Agreements on December 31, 2013, in accordance with the Agreement's payment provisions.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the proposed actions will allow DMH to successfully transition to and meet the legal requirements of the ACA, which goes into effect January 1, 2014.

Respectfully submitted,



MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

MJS:RK:MM:RK:jk

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Chairperson, Mental Health Commission

**Los Angeles County Department of Mental Health
1115 Waiver Demonstration Project Community Partners**

	AGENCY	CONTRACT NUMBER
1	AIDS HEALTHCARE FOUNDATION	MH210027
2	ALTAMED HEALTH SERVICES CORPORATION	MH210001
3	ANTELOPE VALLEY COMMUNITY CLINIC	MH210002
4	ASIAN PACIFIC HEALTH CARE VENTURE, INC.	MH210003
5	CENTRAL CITY COMMUNITY HEALTH CENTER, INC.	MH210004
6	CHINATOWN SERVICE CENTER	MH210005
7	CITY OF LONG BEACH DEPARTMENT OF HEALTH & HUMAN SERVICES	MH210029
8	CITY OF PASADENA PUBLIC HEALTH DEPARTMENT	MH210030
9	CLINICA MONSEÑOR OSCAR A. ROMERO	MH210006
10	COMMUNITY HEALTH ALLIANCE OF PASADENA	MH210007
11	EAST VALLEY COMMUNITY HEALTH CENTER, INC.	MH210009
12	EL PROYECTO DEL BARRIO	MH210011
13	GARFIELD HEALTH CENTER	MH210012
14	HARBOR COMMUNITY CLINIC	MH210013
15	KOREAN HEALTH, EDUCATION, INFORMATION AND RESEARCH CENTER	MH210037
16	MISSION CITY COMMUNITY NETWORK, INC.	MH210016
17	NORTHEAST VALLEY HEALTH CORPORATION	MH210034
18	SOUTH BAY FAMILY HEALTHCARE CENTER	MH210020
19	ST. JOHN'S WELL CHILD AND FAMILY CENTER, INC.	MH210021
20	T.H.E. CLINIC, INC.	MH210022
21	VALLEY COMMUNITY CLINIC	MH210024
22	VENICE FAMILY CLINIC	MH210025
23	WESTSIDE FAMILY HEALTH CENTER	MH210026