

Two counties square off with California over mental health duties

March 17 2023, by Angela Hart



Credit: Pixabay/CC0 Public Domain

Sacramento and Solano counties are in a standoff with the state over mental health coverage for a portion of Medicaid patients in those counties—a dispute that threatens to disrupt care for nearly 50,000 low-

income residents receiving treatment for severe mental illness.

The Department of Health Care Services, which administers Medi-Cal, the state's Medicaid program, says Sacramento and Solano counties must take over managing and providing specialty mental [health](#) care for thousands of Medi-Cal patients enrolled in Kaiser Permanente plans. It insists on shifting the responsibility because California's remaining 56 counties already operate this way. State officials argue the switch would simplify the state's disjointed [mental health system](#) and is needed to implement a larger transformation of Medi-Cal, an initiative known as CalAIM.

State health officials gave counties until March 15 to accept Kaiser Permanente patients, so California can properly transfer their specialty mental health care to counties by July 1. But the two counties are rebuffing the transfer, arguing that without more funding they can't adequately care for a major influx of Medi-Cal patients with severe mental health conditions, such as schizophrenia or bipolar disorder. Medi-Cal officials, meanwhile, are threatening steep penalties or potentially terminating mental health contracts with those counties.

Local officials warn that if the state follows through with its plan, about 39,000 patients in Sacramento County and about 8,000 in Solano County could see their care disrupted and, for instance, may be forced to find a new psychiatrist.

"For someone who has schizophrenia or another serious mental health disorder, it has taken a long time to build a trusted relationship with their provider, and now they are going to see that care disrupted or have to find a different provider," said Debbie Vaughn, assistant county administrator for Solano County. "There will be risks of people going into crisis."

Ryan Quist, director of behavioral health services for Sacramento County, said the counties need not only more funding, but also more time to transfer the patients' care. "The state is playing chicken with their lives," he said.

Under state law, counties are responsible for administering and delivering specialty care to Medi-Cal patients with [severe mental illness](#). Medi-Cal managed-care insurers are responsible for providing treatment for mild or moderate mental health conditions, such as anxiety or low-level depression.

But under a decades-old arrangement between the state and the counties of Sacramento and Solano, California has been paying Kaiser Permanente to provide all mental health care for the health care giant's Medi-Cal enrollees. Now the state is dissolving that arrangement, forcing roughly 7,000 specialty mental health patients in those two counties to move out of Kaiser Permanente and into county-run mental health plans.

State officials argue that the two counties are legally obligated to provide care for Medi-Cal patients with severe mental illness and that county behavioral health agencies would be the ones putting patients in danger if the counties continue refusing the shift. Medi-Cal patients enrolled in health plans other than Kaiser Permanente get their specialized mental health care directly from counties.

"Sacramento and Solano counties' failure to engage in this process places Medi-Cal members at risk of losing access to critical Medi-Cal entitlement services," said Tony Cava, a spokesperson for the Department of Health Care Services. "DHCS will have no choice but to take action if the counties continue to refuse to fulfill their obligations."

The state is considering sanctions or terminating the counties' contracts, but Cava said that "contract termination is not DHCS' preferred

approach." He declined to elaborate, adding only that the agency would "identify solutions to continue coverage" for Kaiser Permanente patients.

He said transferring patients to the counties will provide "a more consistent and seamless health system by reducing complexity and increasing flexibility."

Counties currently receive a portion of state sales tax revenue and vehicle license fees to fund specialty [mental health care](#), but under the agreement in Sacramento and Solano, the state has been paying Kaiser Permanente from its general fund to serve a portion of the insurer's overall Medi-Cal enrollees' mental health needs.

Under the shift, California would stop distributing general-fund money to the counties. Instead, counties would receive a greater share of existing sales tax and vehicle license fee revenues set aside by a 2011 arrangement. But Kaiser Permanente's specialty mental health patients, the counties argue, were not under their purview at the time that agreement was reached, underscoring their legal argument that the state should cover the costs of their care.

The state is offering an additional \$11.6 million a year to Sacramento and \$7.7 million a year to Solano, which would draw down additional federal funding. That money would be siphoned from revenue other counties rely on for behavioral health treatment.

"The insult to injury is this takes money from other counties," said Michelle Doty Cabrera, executive director of the County Behavioral Health Directors Association, "and across California we're seeing a greater demand for services, especially after the pandemic."

Sacramento County wants \$36 million more each year to cover a 16% increase in patients, or 4,836 people. Solano County seeks nearly \$17

million more each year for increasing its load by 50%, or 2,091 patients.

Behavioral health officials say counties are also struggling to recruit and retain mental health professionals willing to serve Medi-Cal patients.

"Our system is already bursting at the seams," said Le Ondra Clark Harvey, CEO of the California Council of Community Behavioral Health Agencies, which represents local mental health providers.

State officials believe that both counties have an adequate number of mental health providers, with the small exception of Sacramento County's need for two to three additional psychiatrists to serve kids.

Kaiser Permanente told KHN that it did not ask to move patients out of its network of care and that it told the state it wanted to continue serving them. Yet it ultimately agreed to transfer care to the counties.

"While we had expressed our preference to continue to provide specialty care to this vulnerable population," said spokesperson Gerri Ginsburg, "we respect the state's long-term objectives."

2023 Kaiser Health News.

Distributed by Tribune Content Agency, LLC.

Citation: Two counties square off with California over mental health duties (2023, March 17) retrieved 26 April 2024 from

<https://medicalxpress.com/news/2023-03-counties-square-california-mental-health.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--