

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL OF REQUEST FOR PAYMENTS TO
FEE-FOR-SERVICE MENTAL HEALTH SERVICES PROVIDERS
FOR FISCAL YEAR 1998-1999**

(ALL SUPERVISORIAL DISTRICTS)

REQUEST:

Authorize the Director of Mental Health or his designee to finalize claims payment issues related to Fee-For-Service (FFS) providers in the amount of \$82,293 for Fiscal Year (FY) 1998-1999. The provisional payments were funded from State Managed Care Allocation for FY 1998-1999.

CONTRACTORS:

The State Department of Mental Health (SDMH) entered into contract (Agreement No. 97-77237) with the County of Los Angeles Department of Mental Health (DMH) to implement and administer Mental Health Managed Care for Medi-Cal eligible residents of Los Angeles County as part of DMH's Local Mental Health Plan (LMHP).

On June 1, 1998 upon Board approval, the County of Los Angeles implemented Phase II consolidation of FFS Medi-Cal Specialty Mental Health Services as the LMHP by entering into Agreement with individual and group providers of specialty mental health services.

INTENT:

Board approval will enable DMH to finalize claims payment in the amount \$82,293 that resulted during the transition of the FFS billing from the State to the County. This action will allow FFS providers to retain the payments received for services rendered in good faith, which would have been approved by the State had the County submitted their claims in a timely manner.

JUSTIFICATION:

Due to the difficulties involved in transitioning the FFS billing system from the State to the County, through no fault of the providers, these claims were not submitted timely. Under these circumstances, DMH believes, and County Counsel concurs, that the contractors should not be required to reimburse County for the services that were paid during the transitioning period from State to County. At that time, LMHP was in the process of defining what the covered mental health services would be and DMH's claims administrator, Electronic Data Systems (EDS), was also in the process of converting their system to be compatible with reimbursable services. FFS providers

submitted their claims faster than DMH or EDS could make necessary determinations and changes. DMH has concluded, and County Counsel concurs, that providers were not at fault and agree that Board authorization will resolve this issue for FY 1998-1999.

CONTRACTING PROCESS:

This Board action will not require any modification to existing or past contracts with providers of specialty mental health services.