

**BOARD LETTER – SUMMARY SHEET
HEALTH AND MENTAL HEALTH SERVICES CLUSTER**

AGENDA REVIEW	May 6, 2015
BOARD MEETING	May 19, 2015
SUPERVISORIAL DISTRICT	All Supervisorial Districts
DEPARTMENT	Department of Mental Health
SUBJECT	APPROVAL TO INCREASE THE COUNTYWIDE MAXIMUM ALLOWANCES FOR THE SPECIALTY MENTAL HEALTH SERVICES PROVIDED BY LEGAL ENTITY CONTRACTORS
PROGRAM	Financial Services Bureau
DEADLINES	N/A
COST & FUNDING	There is no fiscal impact associated with these actions. The LE agreements' maximum contract amounts will not change as a result of the Countywide Maximum Allowances (CMA) increases.
PURPOSE OF REQUEST	To increase CMA for specialty mental health services provided by the Department of Mental Health (DMH) Legal Entity (LE) contractors by 2.5 percent.
SUMMARY/ ISSUES (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; prior accomplishments; and for BLs involving contracts, also note changes to the contract term.)	<p>This will allow DMH to increase the CMA for specialty mental health services provided by the DMH LE contractors. The requested increase is the maximum allowable rate payable to LE contractors for each type of the specialty mental health services. The increase in CMA does not automatically guarantee the LE contractors an increase in their current provisional rates.</p> <p>In order to compute the revised CMA rates, DMH has applied the same methodology that the State had used to adjust the Statewide Maximum Allowances (SMA) prior to the elimination of the SMA in July 2012 (i.e., use the Market Basket published by Centers for Medicare and Medicaid Services (CMS) to update payments and cost limit). SMA were eliminated pursuant to the passage of Assembly Bill 1297 (AB 1297) effective July 1, 2012.</p> <p>As a result of AB 1297, the State left the establishment of maximum allowances for specialty mental health services at the discretion of each Mental Health Plan. Consequently, DMH obtained the Board's approval to establish the CMA starting in Fiscal Year 2012-13 to prevent LE providers from overbilling and to control local match availability.</p>
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