



**NEVADA COUNTY  
HEALTH & HUMAN SERVICES  
AGENCY**

**Health & Human Services  
Agency Director  
Ryan Gruver**

**Behavioral Health Director:  
Phebe Bell, MSW**

**Behavioral Health Medical Director:  
Aubrey Eubanks, M.D.**

**BEHAVIORAL HEALTH DEPARTMENT  
(Mental Health, Drug and Alcohol Program)**

500 CROWN POINT CIRCLE, STE. 120 GRASS VALLEY CALIFORNIA 95945  
10075 LEVON AVE., STE 204 TRUCKEE, CALIFORNIA 96161

TELEPHONE (530) 265-1437  
FAX (530) 271-0257  
TELEPHONE (530) 582-7803  
FAX (530) 582-7729

**NEVADA COUNTY BOARD OF SUPERVISORS  
Board Agenda Memo**

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**MEETING DATE:** September 26, 2023

**TO:** Board of Supervisors

**FROM:** **Phebe Bell**

**SUBJECT:** Resolution approving execution of a contract with the Department of Health Care Services that pertains to the Intergovernmental Transfer (IGT): an agreement whereby Nevada County transfers the non-federal share of Medi-Cal payments and receives federal financial participation revenue for Drug Medi-Cal Organized Delivery System (DMC-ODS) services provided by the County for the service period of July 1, 2023 through December 31, 2026.

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**RECOMMENDATION:** Approve the attached Resolution.

**FUNDING:** Funds being transferred by the County through this agreement include 2011 Realignment, Mental Health Services Act fund, and Patient Care Revenues to cover the County's portion of the IGT process. Other funds may become allowable pending state-level legislative changes. Federal Financial Participation revenue is received through the process. There are no county general fund dollars required in the agreement.

**BACKGROUND:** Before July 1, 2023 Behavioral Health treatment services provided to Medi-Cal beneficiaries were reimbursed to counties per Certified Public Expenditure (CPE). In the former process, when a DMC-ODS service was provided to a Medi-Cal beneficiary the County would send a claim to the State certifying that a cost for service was incurred. The Department of Health Care Services as the Medicaid Single State Agency (SSA) would draw down and send the County the Federal Financial Participation dollars and the County would cover the match requirement.

The California Advancing and Innovating Medi-Cal (CalAIM) Act requires the Department of

Health Care Services to implement Behavioral Health Payment Reform. As a component of these reforms, DHCS is required to design and implement an Intergovernmental Transfer based payment methodology for Drug Medi-Cal Organized Delivery System treatment services.

An IGT is a transfer of funds from a public agency to the Medicaid Single State Agency (SSA) that the SSA may expend as the nonfederal share of cost in order to claim Federal Financial Participation revenue. In the context of CalAIM Behavioral Health Payment Reform, an IGT is a transfer of funds from a county (the public agency) to DHCS (the Medicaid SSA) to be used as the county portion of the nonfederal share of payments to the county for Medi-Cal covered Behavioral Health Services (the “County Share”).

This agreement outlines the Transfer of Public Funds for the IGT Process effective July 1, 2023. Allowable funds include County General Funds, 2011 Realignment Funds, and Patient Care Revenue. Other funding types may become allowable pending state-level legislative changes.

It is recommended that the Board approve this contract as it allows Nevada County Behavioral Health to issue IGT payments to the State in order to draw down Federal Financial Participation revenue to cover the cost of mandatory Drug Medi-Cal ODS treatment services.

**Item Initiated and Approved by:** Phebe Bell, MSW, Director of Behavioral Health