



## Health and Human Services Agency

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### BEHAVIORAL HEALTH DEPARTMENT

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## NEVADA COUNTY BOARD OF SUPERVISORS

### Board Agenda Memo

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**MEETING DATE:** August 26, 2025

**TO:** Board of Supervisors

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

**SUBJECT:** Resolution approving execution of an updated agreement with the Department of Health Care Services pertaining to the Intergovernmental Transfer agreement to reflect the integrated contract number 24-40138 for the service period of July 1, 2023 through December 31, 2026. (RES 23-497).

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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 Intergovernmental Transfer (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:** On September 26, 2023 per Resolution 23-497, the Nevada County Board of Supervisors approved Contract 23-30116 between the County of Nevada and the Department of Health Care Services pertaining to the Intergovernmental Transfer 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 period July 1, 2023 through December 31, 2026.

On February 11, 2025 per Resolution 25-036 the Nevada County Board of supervisors approved Contract 24-40138 between the County of Nevada and the Department of Health Care Services to integrate the separate DMC-ODS and Specialty Mental Health contracts into one contract. This amendment updates the IGT agreement to reference the contract number from the integrated contract instead of the previous DMC-ODS only contract number.

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 updated contract agreement as it allows Nevada County Behavioral Health to continue 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 with the integrated contract number instead of the previous DMC-ODS only contract number.

**Approved by:** Phebe Bell, Behavioral Health Director