



Tooele County Council Agenda Item Summary

Department Making Request:

Human Services/Gary K. Dalton

Meeting Date:

June 21, 2022

Contract ✓

Mark Options That Apply:

Grant
1 time

Contract
1 yr. or less

Purchase

Exp date: _____

Grant
With County Match

Contract
More than 1 yr.
Exp date: 06/30/27

Budget Impact:

In Budget
 Over Budget

Requested Amount: \$ 12,493,485.00

Item Title: Medicaid Five Year Revenue Agreement

Please answer the who? what? when? why?

Tooele County will pay approximately \$12.5 million in Medicaid Revenue for services rendered to those who qualify for Medicaid behavioral health services over a five year period.

Annually, this amounts to \$2,498,697 payable to Health Care Finance in the State Dept. of Health and Human Services for the County's commitment to ongoing behavioral health claims for Medicaid eligible clients of which there are 10,200 currently (up from 6,200 in 2019).

List who needs copies when approved: Gary K. Dalton, Clerk's Office

UTAH DEPARTMENT OF HEALTH AND HUMAN SERVICES
Box 143104
288 North 1460 West, Salt Lake City, Utah 84114-3104

REVENUE AGREEMENT

H
Department Log Number

N/A
State Agreement Number

1. AGREEMENT NAME:

The name of this Agreement is: Tooele County Mental Health and Substance Abuse Authority State Match Contract.

2. PARTIES TO AGREEMENT:

This Agreement is between the Utah Department of Health (DEPARTMENT) and the Tooele County Mental Health and Substance Abuse Authority (CONTRACTOR).

Pursuant to Utah Code Ann. 26B-1-201, as of July 1, 2022, the parties agree that the contracting parties, with all its contractual obligations, duties, and rights, will be the Department of Health and Human Services ("Department") and Contractor.

3. AGREEMENT PERIOD:

The service period of this Agreement shall be 7/1/2022 through 6/30/2027, unless terminated or extended by agreement in accordance with the terms and conditions of this Agreement. This Agreement may be extended annually 1 time, at the option of the DEPARTMENT, by means of an amendment to this Agreement. Such extension must be in writing.

4. AGREEMENT AMOUNT:

The CONTRACTOR shall pay the DEPARTMENT up to a maximum amount of \$12,493,485.00 in accordance with the provisions in this Agreement.

5. AGREEMENT INQUIRIES:

Inquiries regarding this Agreement shall be directed to the following individuals:

CONTRACTOR

Contact Person: Gary Dalton
Business Address: 47 So. Main Street
City, State Zip: Tooele, Utah 84074
Phone: 435-843-4715
Email Address: gary.dalton@tooeleco.org

DEPARTMENT

Program: Office of Managed Healthcare
Contact Person: Becky L. Johnson
Phone: 801-538-6515
Email Address: beckyljohnson@utah.gov

6. REFERENCE TO ATTACHMENTS INCLUDED AS PART OF THIS AGREEMENT:

Attachment A: Special Provisions

7. PROVISIONS INCORPORATED INTO THIS AGREEMENT BY REFERENCE, BUT NOT ATTACHED HERETO:

- A. All other governmental laws, rules, regulations, or actions applicable to services provided herein.
- B. If the CONTRACTOR has provided the DEPARTMENT with Assurances, then the Department is entering into this agreement based upon the Assurances provided by the CONTRACTOR and the Assurances are incorporated by reference.

8. This Agreement, its attachments, and all documents incorporated by reference constitute the entire agreement between the parties and supercede all prior negotiations, representations, or agreements, either written or oral between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties sign this Agreement.

CONTRACTOR:

By: James A. (Andy) Welch 6/23/22
County Manager
Tooele County
Date

UTAH DEPARTMENT OF HEALTH AND HUMAN SERVICES:

By: Tracy Gruber
Executive Director
Date

Colin R. Winchester 06/10/2022
Colin R. Winchester
Deputy Tooele County Attorney

Attachment A - Special Provisions

Article 1: Introductory Provisions

1.1 Parties

Effective July 1, 2022, the Utah Department of Health and the Utah Department of Human Services will merge and become the Utah Department of Health and Human Services (DHHS).

This Contract is between the State of Utah, acting by and through its Department of Health (now known as the Department of Health and Human Services), hereinafter referred to as "Department" and the Tooele County Mental Health and Substance Abuse Authority, hereinafter referred to as "Contractor". Together the Contractor and the Department shall be referred to as the "Parties".

The Parties have agreed on the signature page of this Contract that the Contractor shall pay the Department up to a maximum of \$12,493,485.00 in accordance with the provisions in this Contract. The Parties understand that the actual payment amounts required shall be based on actual expenditures and costs. The Parties agree that if at any time during the term of this Contract it is necessary to adjust the stated amount, the Parties may adjust the amount without the need to amend this Contract. The adjustment shall occur upon the Department's written notice to the Contractor.

Article 2: Definitions

For purposes of this Contract the following definitions apply, unless otherwise specified:

Administrative Charge means the charge assessed to cover costs incurred by the Department to administer mental health and substance use disorder services under Medicaid.

Capitation Payment means the payment the Department makes periodically to the Prepaid Mental Health Plan (PMHP) serving the contractor's Service Area. Capitation Payments are made on behalf of each PMHP Enrollee.

CMS means the Centers for Medicare and Medicaid Services, the federal Medicaid agency, within the federal Department of Health and Human Services.

Department means the Utah Department of Health and Human Services (DHHS), Division of Integrated Healthcare.

Enrollee means any Medicaid member whose name appears on the Department's eligibility transmission as enrolled in the Prepaid Mental Health Plan.

Fee for Service (FFS) means Medicaid-covered services that are billed directly to and paid directly by the Department based on an established fee schedule.

Foster Care Children means children and youth under the statutory responsibility of DHHS.

Intensive Stabilization Services means individualized short-term mental health interventions provided in or outside the home that are designed to evaluate, manage, monitor, stabilize, and support a child's well-being and behavior consistent with the child's individual crisis/safety plan.

July Old means an additional accounting reconciliation period, after the 12th period (June) of the State Fiscal Year, in which claims continue to be paid in the same State Fiscal Year for services rendered prior to June 30, up until the last processing date for that same State Fiscal Year, no later than the fourth week of July.

Local Mental Health Authority means the authority responsible to provide directly or by contract mental health services to residents of that authority's county or counties in accordance with Utah Code Ann. § 17-43-301.

Local Substance Abuse Authority means the authority responsible to provide directly or by contract substance use disorder services to residents of that authority's county or counties in accordance with Utah Code Ann. § 17-43-201.

Outpatient Mental Health Services means rehabilitative mental health services and targeted case management services for individuals with serious mental illness covered under the Utah Medicaid State Plan.

Outpatient Substance Use Disorder Services means rehabilitative substance use disorder services and targeted case management services for individuals with serious mental illness covered under the Utah Medicaid State Plan.

Prepaid Mental Health Plan (PMHP) means the mental health and substance use disorder managed care plan operating under the authority of the Department's 1915(b) waiver.

Service Area means the Contractor's counties: Tooele.

State Fiscal Year means twelve calendar months commencing on July 1 and ending on the following June 30 or the 12-month period for which the State budgets its funds.

State Match means, as defined under 42 CFR 433.10, the current percentage of the State's share of Medicaid expenditures for services.

System of Care Children means children and youth the DHHS System of Care team directly case manage, and for whom the team provides or arranges treatment services.

Article 3: State Match and Administrative Charge

3.1 State Match

3.1.1 PMHP Capitation Payments

(A) The Parties understand and agree that if Targeted Adult Medicaid (TAM) or Adult Expansion Medicaid members are enrolled in the PMHP, the Department is responsible for the State Match on Capitation Payments for these Enrollees.

(B) For all other PMHP Enrollees, the Parties understand and agree that they share joint responsibility for the State Match on the inpatient portion of Capitation Payments, as determined by the Department.

(1) The Department shall pay the State Match amount appropriated by the State legislature for the inpatient portion of Capitation Payments.

(2) The Contractor shall pay the remaining State Match on the inpatient portion of Capitation Payments, as determined by the Department. However, the Contractor shall not be responsible for the State Match on the inpatient portion of Capitation Payments for Enrollees who have State-funded subsidized adoption Medicaid eligibility.

(C) The Contractor shall pay the State Match on the outpatient portion of Capitation Payments, as determined by the Department.

(D) The Contractor may request in writing the State Match amount the Department shall pay for the State Fiscal Year.

3.1.2 Fee for Service (FFS) Expenditures

(A) Outpatient Mental Health Services

The Contractor shall pay the State Match on FFS expenditures made to the Contractor or its contracted provider(s) or to any other Local Mental Health Authority or that Authority's contracted provider(s) for Outpatient Mental Health Services provided to Service Area

Medicaid members not enrolled in the PMHP, except the Contractor shall not be responsible for the State Match on FFS expenditures for:

- (1) Foster Care Children;
 - (2) other children in state custody for whom DHHS has requested disenrollment from the PMHP for outpatient services on a case-by-case basis;
 - (3) children in all subsidized adoption Medicaid aid categories for whom DHHS has requested disenrollment from the PMHP for outpatient services on a case-by-case basis;
 - (4) children in the State-funded subsidized adoption Medicaid aid category;
 - (5) System of Care Children for whom DHHS has requested disenrollment from the PMHP for outpatient services on a case-by-case basis;
 - (6) presumptive eligible individuals;
 - (7) TAM members;
 - (8) Adult Expansion members; and
 - (9) Intensive Stabilization Services.
- (B) Outpatient Substance Use Disorder Services

The Contractor shall pay the State Match on FFS expenditures made to the Contractor or its contracted provider(s) or to any other Local Substance Abuse Authority or that Authority's contracted provider(s) for Outpatient Substance Use Disorder Services provided to Service Area Medicaid members not enrolled in the PMHP in all Medicaid aid categories, except the Contractor shall not be responsible for the State Match on FFS expenditures for:

- (1) children in all subsidized adoption Medicaid aid categories for whom DHHS has requested disenrollment from the PMHP for outpatient services on a case-by-case basis;
- (2) children in the State-funded subsidized adoption Medicaid aid category;
- (3) System of Care Children for whom DHHS has requested disenrollment from the PMHP for outpatient services on a case-by-case basis;
- (4) presumptive eligible individuals;

- (5) TAM members;
- (6) Adult Expansion members; and
- (7) Intensive Stabilization Services.

(C) Medicare Crossover Claims

The Contractor shall pay the State Match on FFS expenditures made to the Contractor or its contracted providers(s) related to Medicare crossover claims for Outpatient Mental Health Services or Outpatient Substance Use Disorder Services provided to Service Area dual eligible Medicare/Medicaid members, except the Contractor shall not be responsible for the State Match on FFS expenditures related to Medicare crossover claims for individuals specified in the State Match exceptions in Article 3.1.2 (A) and (B).

3.1.3 Renegotiations

The Department, in its discretion, may renegotiate its State Match obligation at any time and for any reason, including legislative appropriations, any inflationary increases the Department grants to providers, and any amendments to the Utah Medicaid State Plan.

3.2 Administrative Charge

(A) The Contractor shall pay two separate Administrative Charges assessed by the Department on its expenditures as follows:

- (1) The Contractor shall pay an Administrative Charge on:
 - (a) Capitation Payments for which the Contractor is responsible for the State Match as specified in Article 3.1.1 (B)(2);
 - (b) the outpatient portion of mental health Capitation Payments as specified in Article 3.1.1 (C); and
 - (c) FFS expenditures for which the Contractor is responsible for the State Match as specified in Article 3.1.2.
- (2) The Contractor shall pay a separate Administrative Charge on substance use disorder Capitation Payments as specified in Article 3.1.1 (C).

(B) The Department shall use the following schedule to determine the Administrative Charge:

Expenditures	Administrative Charge
\$1 to \$500,000	3% of total; or
\$500,001 to \$1,000,000	\$15,000 and 2% of amount exceeding \$500,000; or
Greater than \$1,000,000	\$25,000 and 1% of amount exceeding \$1,000,000

Article 4: Contractor State Match and Administrative Charge Payments to Department

4.1 CMS Requirements

CMS requires that the Department have the State Match in its administrative control prior to drawing down Federal Financial Participation (FFP), the Federal Medicaid portion.

4.2 Quarterly Billings

(A) On a quarterly basis and for July Old, the Department shall bill the Contractor the estimated State Match and Administrative Charge required for the upcoming quarter/July Old. The Department shall provide the billing statement approximately 45 calendar days prior to the first day of each quarter and July Old.

(B) The Department shall initially calculate the quarterly and July Old prepayments for the State Match and Administrative Charge using an estimate. The estimates shall be based on the total State Match and total Administrative Charges for the prior twelve-month period ending March 31, divided by four for the quarters, and adjusted proportionally for July Old.

(C) The Contractor shall pay the Department the estimated State Match and Administrative Charge, as follows: (1) the full invoiced amount at least 15 calendar days prior to the first day of each quarter or July Old, or (2) for quarterly payments, one-third of the invoiced amount at least 15 calendar days prior to the first day of each month in the quarter.

(D) The Department shall make no payments for services until the State Match and Administrative Charge have been paid, and the required Department-specified certification form has been submitted pursuant to Article 5 (C).

(E) The Contractor may request that the Contractor and Department review the quarterly and/or July Old estimates. The Department, in its discretion, may accept input from the Contractor and revise the quarterly and/or July Old estimates.

4.3 Quarterly Reconciliation of Estimated State Match and Administrative Charge

(A) At the end of each quarter and July Old, the Department shall calculate the Contractor's actual State Match obligation. The Department shall also calculate the Contractor's actual Administrative Charge obligations based cumulative State Fiscal Year-to-date expenditures.

(B) If the amount of the Contractor's prepaid State Match and Administrative Charge exceeded the actual State Match and Administrative Charge, the Department shall refund the difference to the Contractor. If the amount of the Contractor's prepaid State Match and Administrative Charge was less than the actual obligation, the Department shall invoice the Contractor for the difference. The Contractor shall pay the difference to the Department within 30 days of the date of the invoice.

Article 5: Contractor Assurances Regarding State Match and Administrative Charge

(A) The Contractor shall ensure that the State Match and Administrative Charge provided to the Department:

(1) meet the requirement of 42 CFR 433, Subpart B, and are not derived from any impermissible source, including recycled Medicaid payments, federal money precluded from use as the State Match impermissible taxes, or non-bona fide provider-related donations; and

(2) are made voluntarily, and neither the Department nor the Contractor has, though statute, rule, or otherwise, required the Contractor to provide the funding.

(B) To ensure compliance with 42 CFR 433, Subpart B, the Contractor shall submit with State Match and Administrative Charge payments the required Department-specified form certifying the source of the State Match and Administrative Charge funds (e.g., governmental taxes – State taxes, county taxes; governmental operations – revenue generated by a special service district or the State teaching hospital).

(C) By August 1 of each year, the Contractor shall, pursuant to Section 26-18-21 of the Utah Code, submit the following information to the Department using the Department-specified annual report form:

(1) Information regarding the payments funded with the intergovernmental transfer as authorized by and consistent with state and federal law;

(2) Information regarding the Contractor's ability to repay federal funds, to the extent required by the Department in this Contract for the intergovernmental transfer; and

(3) Other information reasonably related to the intergovernmental transfer that may be required by the Department in this Contract for the intergovernmental transfer.

Article 6: Miscellaneous Provisions

6.1 Payment of Disallowances

In the event of a Federal Financial Participation (FFP) disallowance related to the Contractor's obligations under this Contract, the Contractor shall be responsible for payment.

6.2 Compliance with State and Federal Law

At all times during the Contract, the Contractor shall comply with all applicable federal and state constitutions, laws, rules, codes, orders, and regulations, including licensure and certification requirements. If the Contract is funded by federal funds, either in whole or in part, then any federal regulation related to the federal funding will supersede this Contract.

6.3 Government Records Access and Management Act (GRAMA)

The Contractor agrees that the Contract, related documents, and invoices will be public documents and may be available for public and private distribution in accordance with the State of Utah's GRAMA. The Department and the State of Utah are not obligated to inform the Contractor of any GRAMA requests for disclosure of the Contract, related documents, or invoices.

6.4 Recordkeeping

(A) The Contractor shall maintain or supervise the maintenance of all records necessary to properly account for the Contractor's performance and the payments made to the Department under the Contract. These records shall be retained by the Contractor for at least six years or until any audits initiated within the six years have been completed, whichever is later.

(B) The Contractor shall retain all records which relate to disputes, litigation, and claim settlements arising from Contract performance or cost or expense exceptions until all disputes, litigation, claims, or exceptions are resolved.

6.5 Audits

The Contractor shall, at no additional cost, make available to the Department, the federal government, and any other agency allowed by law, any of the Contractor's records that may reasonable be requested to conduct an audit of the Contractor's performance under this Contract.

6.6 Waiver

A waiver of any right, power, or privilege shall not be construed as a waiver of any subsequent right, power or privilege.

6.7 Assignment

The Contractor shall not assign, sell, transfer, subcontract, or sublet rights or delegate responsibilities under the Contract, in whole or part.

6.8 Termination

This Contract may be cancelled or terminated by either party without cause by providing the other party with a written notice of the intent to cancel or terminate. Such notice must be received by the other party at least 90 days prior to the effective date of termination.