

EPSDT Leverage Fund for Children’s Mental Health Services: \$3,250,000 (One-time)

The Health Services Department supports a revolving fund account to pay for future Cost of Living Adjustment (COLA) for Early and Periodic Screening, Diagnostic and Treatment (EPSDT) providers. The revolving fund account would use funding from Measure X in conjunction with the 2011 Realignment Growth funds to secure federal matching dollars.

Currently, the County receives 2011 Mental Health Realignment funding (sales tax) to fund EPSDT services, comprehensive and preventive health care services for children under age 21 who are enrolled in Medicaid. This funding is provided by the state on a “rolling base allocation” process. This process pays for prior year EPSDT services after the close of the fiscal year from Realignment “growth.” The growth payment is predicated on the state having surplus sales tax revenue to meet the state-wide overall EPSDT expenditure base. Due to the uncertainty of the amount of state funding available, negotiations with CBO providers for prospective payment rates for services has been hampered.

In this proposal the County will utilize Measure X funds as match to fund the COLA for EPSDT providers in the year awarded. Once the Realignment Growth funds become available, they will be used to replenish the revolving fund account. In years when the state economy is trending upward, there will be sufficient Realignment Growth distribution to replenish the fund and repeat the process. In the event that Realignment Growth is insufficient to fully replenish the revolving fund account, there will be less funding in the account to pay for COLAs for the upcoming year.

A one-time funding request of \$3,250,000 is requested to match approximately \$3,250,000 in Federal funding to provide up to a prospective 10% COLA for EPSDT providers effective July 1, 2022 (increase in rates and contract payment limit).

Recommendation:

The County Administrator’s recommendation is that the leverage fund be provided a one-time allocation of \$3,250,000.