



August 15, 2022

The Honorable Dr. Mark Ghaly
Secretary, California Health and
Human Services Agency
1600 Ninth Street, Room 460
Sacramento, CA 95814

The Honorable Michelle Baass
Director, California Department of
Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Mr. Richard Figueroa
Deputy Cabinet Secretary
Office of Governor Gavin Newsom
1021 O Street, 10th Floor
Sacramento, CA 95814

Ms. Tam Ma
Deputy Legislative Secretary for Health Care
Office of Governor Gavin Newsom
1021 O Street, 10th Floor
Sacramento, CA 95814

Re: Elimination of Kaiser Medi-Cal Carve In Specialty Mental Health Benefit for Solano and Sacramento Counties

Dear Secretary Ghaly, Director Baass, Mr. Figueroa and Ms. Ma:

As the County Board of Supervisors' Chairs for Sacramento and Solano Counties, respectively, we write to outline our grave concerns regarding the process underway to effectuate the Department of Health Care Services (DHCS) elimination of the State's Kaiser Medi-Cal carve-in for mental health services for mental health patients in our two counties. We would like to meet with you as soon as possible to share our concerns regarding what is outlined in this letter, and to chart a new path regarding this transition.

If the process being led by DHCS staff continues to unfold in its current form, it will almost assuredly result in catastrophic service shortages for severely mentally ill people living in our communities, and severe harm or even death will be the outcome for these critically ill patients. Before more time passes, our counties urgently need your direct involvement and intervention to ensure that this delicate, complicated process is undertaken with deliberation, patience, consideration and concern for the welfare of the population at the center of this work. Our county staff must have the time and resources to prepare for a 50% increase in Solano and a 16% increase in Sacramento in patient load and service demand.

Our county staff working in tandem with DHCS staff and Kaiser representatives have repeatedly requested DHCS first identify sufficient, reliable and ongoing resources to accompany the transfer of patients from the State to the Counties, in order to ensure perfect continuity of care for this population.

To date, this has not occurred, which makes the rest of the planning process all but impossible for our staff to do!

At best, the offer to dedicate a portion of an unreliable and highly coveted source of funding (the growth in realignment) is short by an estimated 50% of the financing for Solano and short 68% for Sacramento. DHCS cannot definitively assure either of our counties that the funding will be reliable, and more importantly, sufficient to provide the service. Further, the DHCS funding suggestion relies on the other 56 California Counties agreeing to forgo a portion of their own future growth funding in order to partially fund this new responsibility for Sacramento and Solano. We view this concurrence from other counties as highly unlikely. Which brings our Counties back to the fundamental and essential request to DHCS: identify the source of assured, reliable, sufficient and ongoing funding that will flow to our two Counties to take on a population that the State has been responsible for during the last several decades.

The current DHCS methodology for calculating funding for Sacramento and Solano Counties excludes inpatient care provided at IMD excluded facilities. Inpatient care is a Medi-Cal entitled service and also the most expensive level of care. The counties will be unable to take on responsibility for this new population without funding for inpatient services.

Without assured and adequate funding, our counties cannot move forward with respect to planning and procurement for services – there is no current way for Counties to absorb the costs of care that this expensive, complex population requires. If the State continues forward with its plan to transition this population by July 1, 2023, without resources, assurance of data system integration and sufficient providers under contract or in the direct employment of our counties to care for this population, it will be a disaster. There will be harm to severely mentally ill persons in our communities, and it will not be the Counties that bear the responsibility for this failure.

The urgent and specific needs for Sacramento and Solano County with respect to this transition are as follows:

1. Identify and commit secure, ongoing, sufficient funding to provide care for this population;
2. Commit that until the Counties, Kaiser and DHCS all mutually concur that the Counties are ready to begin absorbing this population in a metered transition, the transition will not begin.
3. Commit to a shared approach in outreaching to the patients to notify them of this transition and likely new provider being assigned (which cannot happen until the Counties have received assurance of funding, so that they can then begin procurement processes to secure adequate providers.) This phase will be critical to the welfare of the individual patient. The State should not send unilateral letters to this population, notifying them that the State is offloading them to the Counties and committing county resources to that patient unless the Counties **are fully engaged in a real partnership in this phase of the transition and are included in the outreach process.**
4. Once the Counties are prepared to begin the active transition of patients, commit to a phased transition of 10% of the population moving to the County each month until the transition is complete. This slower transition gives the State, the Counties and Kaiser a time “buffer” to address any problems that arise with the migration of data and provider uptake.

We must avoid people slipping through the cracks – these are our constituents, and we must do them no harm. Right now, DHCS is proceeding to a hard deadline of July 1, 2023, with no genuine

acknowledgment of the position our two Counties are being placed in. We cannot begin the lengthy public agency procurement process for services until we know how we will pay for it. We still have not been given that guarantee from the State; until we get it, we cannot proceed with planning to actually transition these fragile patients in a humane, sensitive, and careful way. We need your help and your leadership to provide real, reliable assurances, resources and time to do this right.

Please contact Solano County Deputy County Administrator Debbie Vaughn at DLVaughn@SolanoCounty.com to facilitate scheduling a meeting on this matter at your earliest convenience.

Sincerely,



John Vasquez, Chairman
Solano County Board of Supervisors



Don Nottoli, Chairman
Sacramento County Board of Supervisors

CC: Sacramento County Legislative Delegation
Solano County Legislative Delegation