



Office of the City Manager

CONSENT CALENDAR
May 9, 2023

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Lisa Warhuus, Director, Health, Housing, and Community Services

Subject: Contract: Optimas Services, Inc. for Consulting Services Related to Mental Health Medi-Cal Billing and the CalAIM Initiative

RECOMMENDATION

Adopt a resolution authorizing the City Manager to enter into a contract and any amendments with Optimas Services, Inc. for an amount not to exceed \$75,000 for consulting services related to Medi-Cal billing and the CalAIM Initiative.

FISCAL IMPACTS OF RECOMMENDATION

The consulting services will cost the City up to \$75,000. Funds have been identified and budgeted in Funds 158 (Mental Health State Realignment) and 316 (Medi-Cal revenue).

CURRENT SITUATION AND ITS EFFECTS

California is in the process of implementing CalAIM, a broad reaching and ambitious overhaul of the Medi-Cal system. It is likely to eventually affect the way that mental health services are accessed, documented, and paid for, the funding available to community agencies, and availability of services to Berkeley residents who receive Medi-Cal.

Berkeley is one of only three cities in California that is treated equivalent to a county for mental health services for state Realignment and Mental Health Services Act funding. However, Berkeley is not considered equivalent to a County/independent mental health jurisdiction for the purpose of Medi-Cal or CalAIM. As a result, most CalAIM-related guidance issued by the state and state associations is not directly applicable to the City. The City must both identify ways to adapt to CalAIM and negotiate changes with Alameda County. Optimas Services, Inc will support staff in working on both aspects of this transition.

The City released an RFP for the services described in March 2023. The City received only one proposal, from Optimas Services, Inc. HHCS has previously contracted successfully with Optimas Services, Inc. for consulting services. At least two other vendors who were contacted related to the RFP declined to respond and recommended working with Optimas Services, Inc., since it is recognized as a leader in the state on this type of work. Therefore, HHCS is recommending this contract with Optimas.

BACKGROUND

CalAIM stands for California Advancing and Innovating Medi-Cal and is an initiative of the California Department of Health Care Services (DHCS). CalAIM is designed to advance three goals:

1. Identify and manage member risk and need through whole person care approaches and addressing Social Determinants of Health;
2. Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
3. Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems and payment reform. (i.e. reduce per-capita costs)

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

No environmental sustainability or climate impacts directly associated with the recommendation of this report were identified.

RATIONALE FOR RECOMMENDATION

The City needs to work quickly to identify and adapt to ways that mental health services financing will be changed under CalAIM. Because this is a very technical and highly specialized area of expertise, consultant services are needed.

ALTERNATIVE ACTIONS CONSIDERED

The City could opt not to contract for consultant services, but that would limit HHCS's ability to preserve existing services and identify future opportunities to meet local needs. Therefore, that approach is not recommended.

CONTACT PERSON

Amy Davidson, Deputy Director, Health, Housing, and Community Services, 510-981-5406

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: OPTIMAS SERVICES, INC. FOR CONSULTING SERVICES RELATED
TO MENTAL HEALTH MEDI-CAL BILLING AND THE CALAIM INITIATIVE

WHEREAS, the City of Berkeley is a mental health services provider and relies on Medi-Cal billing to fund many of its services; and

WHEREAS, the state of California is making significant changes to the Medi-Cal program creating opportunities and requiring changes on the City's part; and

WHEREAS, via a Request for Proposals issued in March 2023, the Department of Health, Housing, and Community Services (HHCS) identified Optimas Services Inc. as the best qualified proposer to provide Medi-Cal and CalAIM consulting services.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to enter into a contract with Optimas Services Inc. in an amount not to exceed \$75,000 from funds 158 and 316 for the period from May 1, 2023 through June 30, 2024.

