



To:	BHS Contracted Service Providers
From:	Behavioral Health Services
Date:	May 31, 2024
Title	Behavioral Health Payment Reform - Updates to Flex Funds and Housing Funds

This memo provides information regarding policy updates related to **Mental Health Flex Funds and Housing funds** in contracts transitioning to a fee for service payment (FFS) structure under Behavioral Health Payment Reform. This only applies to Mental Health programs funded through Medi-Cal.

For **Substance Use Disorder (SUD) programs with Flex Funds**, please see section at the end of the memo.

Mental Health Flex Funds Update

General Updates

- Mental Health Flex Funds will be reimbursed at cost.
 - The *Flex Funds Expenditure Report* shall be submitted together with the invoice.
 - Individual transactions below \$20 will no longer be itemized. However, total amounts per category must be listed at the top of the report.
 - Number of transactions is no longer needed on the report.
- Providers must continue tracking all flex funds expenditures and are subject to review/audit.
- Upon request, detailed *Flex Funds Expenditure Reports* and supporting documentation must be available to the Contracting Officer’s Representative (COR), In-Depth Invoice Review (IIR) staff, and/or others.
- Contract year total Flex Funds claim may not exceed the amount specified on *Exhibit C – Payment Schedule*.
- This change is effective upon conversion to FFS or Fixed Price contract payment structure.
- The Mental Health Flex Fund budget within contracts cannot be increased without approval by the COR.
- For programs that currently do not have MH Flex Fund budgets, additional funding will not be added at this time due to budgetary challenges.

Mental Health Flex Funds Cap

- The annual caps for flex funds per category have been updated.
 - Providers are required to continue tracking the costs per client and must not exceed the caps without COR pre-approval.

Categories	Annual Cap per Client
Food	\$ 350.00
Housing Support (includes housing application costs, furniture, utilities, and other housing-related costs, etc.)	\$ 600.00
Other Items	\$ 350.00
TOTAL*	\$1,300.00
* The total annual cap amount of \$1,300 can be used for Housing Support subject to COR pre-approval	

For More Information:

- Contact your Contracting Officer’s Representative (COR)



To:	BHS Contracted Service Providers
From:	Behavioral Health Services
Date:	May 31, 2024
Title	Behavioral Health Payment Reform - Updates to Flex Funds and Housing Funds

Housing Costs Update

Client Housing will be involved as either Full-Month Stay or Partial-Month Stay

- Full-month stay (including bed-holds):
 - direct client housing and administrative housing support will be paid at an **all-inclusive rate of \$1,500/month/client**. This includes costs for housing, staffing for housing navigation and coordination and administrative costs. inclusive of costs for housing, staffing for housing navigation and coordination and administrative cost.
 - Administrative Housing Support Staff: Staff who support the navigation and securing of housing, and provide housing supports to promote housing stability.

Move-In/Move-Out (Partial-Month Stay):

- **Administrative housing support** will be paid at a flat rate of \$300/client.
- **Direct client housing** will be reimbursed at \$40/day per client:
 - Starting on move-in date (for move-ins)
 - Through move-out date (for move-outs)
- Upon submission of monthly invoice, providers must submit via secured correspondence to the COR a detailed housing ledger (BHS Housing Ledger) that includes a list of clients who received housing assistance during the month, the amount the program paid towards each client’s rent, the amount the client contributed towards rent, and the client’s move-in/move-out dates as appropriate.
- Providers must continue tracking housing expenditures and make the records available upon request to the Contracting Officer’s Representative (COR), In-Depth Invoice Review (IIR) staff, and/or others.
- Contract year total housing claim may not exceed the amount specified on *Exhibit C – Payment Schedule*.
- This change is effective upon conversion to the FFS or Fixed Price payment structure.

Attachment

- *Mental Health Flex Funds Expenditure Report (Excel)*
- *BHS Housing Ledger (Excel)*

SUD Flex Funds

- For SUD contracts with Flex Funds, please continue to follow guidance as outlined in the Substance Use Disorder Provider Operations Handbook (SUDPOH.):
<https://optumsandiego.com/content/sandiego/en/county-staff---providers/dmc-ods.html>
- For programs with existing SUD Flex Fund budgets, the Flex Fund budget cannot be increased without approval by the COR.
- For programs that currently do not have SUD Flex Fund budgets, additional funding will not be added at this time due to budgetary challenges.

Questions?

For More Information:

- Contact your Contracting Officer’s Representative (COR)



To:	BHS Contracted Service Providers
From:	Behavioral Health Services
Date:	May 31, 2024
Title	Behavioral Health Payment Reform - Updates to Flex Funds and Housing Funds

For questions, please reach out to you COR.

For More Information:

- Contact your Contracting Officer's Representative (COR)