



Board Agenda Item 34

DATE: May 3, 2022

TO: Board of Supervisors

SUBMITTED BY: Susan Holt, Director, Department of Behavioral Health

SUBJECT: Non-Drug Medi-Cal Master Agreements with Substance Use Disorder Treatment Providers

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute a Master Agreement with Non-Drug Medi-Cal Outpatient Services vendors for alcohol and other drug treatment services, effective July 1, 2022, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$11,362,380;**
2. **Approve and authorize the Chairman to execute a Master Agreement with Non-Drug Medi-Cal Residential Treatment and Withdrawal Management Services vendors for alcohol and other drug treatment services, effective July 1, 2022, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$13,231,565;**
3. **Approve and authorize the Chairman to execute a Master Agreement with Residential Treatment and Withdrawal Management Services vendors for alcohol and other drug treatment room and board services, effective July 1, 2022, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$25,367,740;**
4. **Authorize the Department of Behavioral Health Director, or designee, to add providers to the Non-Drug Medi-Cal Outpatient services, the Non-Drug Medi-Cal Residential services, and the Residential Room and Board Master Agreements; and,**
5. **Approve and authorize the Department of Behavioral Health Director, or designee, upon review by County Counsel as to legal form and Auditor-Controller/Treasurer-Tax Collector as to accounting form, to approve minor changes to program requirements and budgets, as needed, to accommodate regulatory changes relating to substance use disorder treatment, with no change to the maximum compensation.**

Approval of recommended actions will enable the County to continue to contracts with Non-Drug Medi-Cal (Non-DMC) certified providers for substance use disorder treatment services. Approval will also allow the Department of Behavioral Health to continue contractual arrangements with treatment providers through Master Agreements, with no increase to Net County Cost. DMC certification is required by the California Department of Health Care Services (DHCS) for alcohol and other drug treatment providers to be able to serve the Medi-Cal population. Approval of recommended actions will permit the Director or designee to add providers and make minor changes to Master Agreement exhibits due to changes in state or federal

regulations, upon review by County Counsel and the Auditor-Controller/Treasurer Tax Collector. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Department will not be able to continue contracts with substance use disorder treatment service providers.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation amounts of the recommended agreements, combined total of \$49,961,685 [Non-Drug Medi-Cal Outpatient Services (\$11,362,380), Residential Treatment and Withdrawal Management Services (\$13,231,565) and Residential Treatment and Withdrawal Management Services (\$25,367,740)], will be fully funded by the Behavioral Health Realignment and the Substance Abuse Block Grant (SABG). Sufficient appropriations and estimated revenues will be included in the Department's Org 5630 FY 2022-23 Recommended Budget and in subsequent budget requests for the duration of the term.

DISCUSSION:

On December 4, 2018, the Board approved Intergovernmental Agreement No. 18-95145 with DHCS to provide substance use disorder treatment services under a new service delivery model known as the DMC Organized Delivery System (DMC-ODS). The DMC-ODS is a pilot program, approved by the Federal Centers for Medicare & Medicaid (CMS) for a five-year term through a demonstration waiver request submitted by DHCS, designed to test the effectiveness of an organized delivery of treatment services for Medicaid-eligible persons served. The initial waiver period expired on December 31, 2021. DHCS has received a five-year extension from CMS to continue the DMC-ODS through December 31, 2026, at which time an additional five-year extension request is anticipated to be submitted.

To participate in the pilot program, California counties were required to opt-in. The County's DMC-ODS, also known as the Substance Use Disorder System of Care, became operational on January 1, 2019. Since implementation, the Department has sought to contract with newly eligible DMC-certified providers to increase access to care and improve quality of care and outcomes for substance use disorder treatment within the County. To ensure access to care for all populations, regardless of Medi-Cal eligibility, the Department offers these non-DMC Master Agreements to the DMC certified providers.

The Department is recommending that your Board approve and authorize the Chairman to execute the Non-DMC Outpatient Master Agreement with the Non-Drug Medi-Cal Outpatient Services vendors on Attachment A; the Non-DMC Residential and Residential Room and Board Master Agreements with the Non-Drug Medi-Cal Residential Treatment and Withdrawal Management Services vendors on Attachment B; and, Master Agreement with Residential Treatment and Withdrawal Management Services vendors on Attachment C.

The recommended Agreements are effective July 1, 2022, with the option to extend for two additional 12-month terms upon written approval from both parties. They provide for unilateral amendments by the County and allow the Director or designee to issue notice of non-renewal. The recommended Agreements may be terminated without cause by the County upon giving the provider a 30-day advance written notice to terminate.

REFERENCE MATERIAL:

BAI #40, December 4, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachments A-C

On file with the Clerk - Non-Drug Medi-Cal Outpatient Master Agreement

On file with the Clerk - Non-Drug Medi-Cal Residential Master Agreement

On file with the Clerk - Residential Room and Board Master Agreement

CAO ANALYST:

Sonia M. De La Rosa