



Board Agenda Item 36

DATE: July 12, 2022

TO: Board of Supervisors

SUBMITTED BY: Susan L. Holt, Director, Department of Behavioral Health
Robert W. Bash, Director, Internal Services/Chief Information Officer

SUBJECT: Retroactive Agreements and Facility Use Agreements with Exodus Recovery, Inc.

RECOMMENDED ACTION(S):

1. **Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as Exodus Recovery, Inc., is the only vendor that can seamlessly provide crisis stabilization services to adults with serious mental illness and youth with severe emotional disturbance;**
2. **Approve and authorize the Chairman to execute a retroactive agreement with Exodus Recovery, Inc. for the operation of 24-7 adult and youth crisis stabilization centers, 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 \$105,955,920;**
3. **Approve and authorize the Chairman to execute a retroactive Facility Use Agreement with Exodus Recovery, Inc., effective July 1, 2022 through June 30, 2027, for County-owned space located at 4411 E. Kings Canyon Road, Fresno, CA 93702, Building 319 (10,450 square feet) to be used by Exodus Recovery, Inc., to provide crisis stabilization center services to adults and youth;**
4. **Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as Exodus Recovery, Inc., is the only vendor that can seamlessly provide psychiatric health facility services to adults with serious mental illness and youth with severe emotional disturbance;**
5. **Approve and authorize the Chairman to execute a retroactive agreement with Exodus Recovery, Inc., for the operation of a 24-7 adult inpatient psychiatric health facility, 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 \$32,317,739; and,**
6. **Approve and authorize the Chairman to execute a retroactive facility use agreement with Exodus Recovery, Inc., effective July 1, 2022 through June 30, 2027, for County-owned space located at 4411 E. Kings Canyon Road, Fresno, CA 93702, Building 319 (14,318 square feet) to be used by Exodus Recovery, Inc., to provide adult inpatient psychiatric health facility services.**

There is no Net County Cost associated with the recommended actions. Approval of recommended actions will allow Exodus Recovery, Inc. (Exodus) to operate 24-7 crisis stabilization centers (CSC) for adults and youth who may be admitted for crisis stabilization services on a voluntary or involuntary basis. Approval of recommended actions will also allow Exodus to operate a 24-7 acute adult inpatient psychiatric health facility (PHF) for adults (18 and older) that are mentally disordered, incompetent, or with other acute mental health care needs. The CSC and PHF facilities operate in separate areas within the County-owned building located at 4411 E. Kings Canyon Road, Fresno, CA 93702. This building is located in District 3, but the services are available to individuals countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. On June 30, 2022, the Agreement Nos. 15-594 and 16-221 for these services will expire. If the recommended actions are not approved, the Department of Behavioral Health will be unable to provide the mandated crisis stabilization and adult psychiatric health services. Should your Board not approve, services will be reduced for individuals with serious mental illness and the Department would be unable to provide necessary 24-7 adult and youth CSC services as well as 24-7 adult PHF services.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department's request to suspend the competitive bidding process consistent with Administrative Policy No. 34 due to Exodus being the only uniquely qualified vendor that can seamlessly provide crisis stabilization and PHF services to adults with serious mental illness and youth with severe emotional disturbance as the COVID-19 public health emergency (COVID-19) continues and there will be a required physical relocation of each of the 24-7 facilities during the recommended contract terms. Exodus has a proven history of managing high acuity needs of persons served and has safely assisted them through COVID-19 and will physically transition the clients during the relocation. The Internal Services Department - Purchasing Division concurs with the Department's request to suspend the competitive bidding process for both service agreements.

RETROACTIVE AGREEMENT:

On April 5, 2022 and June 21, 2022, amendments were approved by your Board related to the increased capacity during COVID-19 for the adult PHF and the CSCs, respectively. The drafting and review of the amendments caused delays in the development of the recommended agreements. Further delays in bringing the recommended agreements to your Board resulted from the budgets being reconsidered due to higher than usual capacity and acuity needs coupled with the ongoing contract negotiations with Exodus, staffing challenges, and lengthy internal review processes.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The five-year maximum compensation totals for the recommended agreements, funded via Medi-Cal Federal Financial Participation (FFP) and Behavioral Health Realignment (Realignment) are as follows: Adult CSC: \$74,991,866; Youth CSC: \$30,964,054 (Total for the CSC Agreement: \$105,955,920); and the Adult PHF: \$32,317,739. There is no cost associated with the Facility Use Agreements. Sufficient appropriations and estimated revenues have been included in the Department's Org 5630 FY 2022-23 Recommended Budget and will be included in future requested budgets for the duration of the contract term. Total expenditures are based on actual services provided.

DISCUSSION:

The adult CSC has operated from the Kings Canyon Campus since March 2012 and the youth CSC has operated from an adjacent location since April 2014. These crisis stabilization facilities provide immediate

therapeutic response on a short-term basis (lasting less than 24 hours) to stabilize acute mental health crises and to prevent acute psychiatric inpatient hospitalizations. Both the adult and youth CSC serve individuals who are exhibiting acute psychiatric symptoms and either have been placed on Welfare and Institutions Code (W&IC), section 5150 designation or request admittance to the CSC on a voluntary status. The youth CSC also serves foster children and youth who reside in the County but remain under the original jurisdiction of another county.

In accordance with California Code of Regulations (CCR), Title 22, the County is mandated to provide acute inpatient psychiatric services to adults who are either a danger to themselves or others as stipulated within W&IC, section 5150. Individuals meeting these criteria may be admitted to the PHF on a voluntary or involuntary basis. All acute inpatient psychiatric services will be provided in accordance with California Code of Regulations, Title 22, Division 5, Chapter 9.

Upon your Board's approval, the recommended agreements will be effective July 1, 2022, as Exodus will continue to operate from the county-owned facility which has the necessary licensing and staffing. The recommended service agreements allow the Department Director to approve changes to the line items within the budget that do not exceed 10% of the line item's maximum compensation and do not result in any change to the term maximum compensation amount. Additionally, the recommended agreement language allows the Department Director to approve changes to the volume of units of service/types of service units. These changes are not to result in any change to the annual or term maximum compensation.

Approval of the recommended facility use agreements will continue services at county-owned property located at 4411 E. Kings Canyon Road in Fresno (County Building 319) and utilize private janitorial and security staff. There is no cost to Exodus for use of the County-owned space. The County will provide building maintenance, landscaping, and utilities.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of these recommended agreements at the May 2022 meeting.

REFERENCE MATERIAL:

BAI #40, June 21, 2022
BAI #37, April 5, 2022
BAI #38, May 24, 2016
BAI #35, November 17, 2015

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request (CSCs)
Suspension of Competition Acquisition Request (Adult PHF)
On file with Clerk - Agreement with Exodus (CSCs)
On file with Clerk - Facility Use Agreement with Exodus (CSCs)
On file with Clerk - Agreement with Exodus (Adult PHF)
On file with Clerk - Facility Use Agreement with Exodus (Adult PHF)

CAO ANALYST:

Ronald Alexander