



# Board Agenda Item 42

DATE: January 29, 2019

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health

SUBJECT: Amendment I to Non-DMC Residential Master Agreement

RECOMMENDED ACTION(S):

**Approve and authorize Chairman to execute retroactive Amendment I to Master Agreement No. 18-692 for Non-Drug Medi-Cal Residential Substance Use Disorder Treatment effective January 1, 2019, with no change to compensation amount or the term of January 1, 2019 to June 30, 2022 (\$14,512,096).**

Approval of the recommended action will allow the Department of Behavioral Health to waive the Drug Medi-Cal (DMC) Certification requirement imposed upon residential and withdrawal management providers in the RFSQ #18-064 for a period not to exceed twelve (12) months to allow time for providers to continue to pursue DMC Certification to ensure the County maintains an adequate network for critical residential Substance Use Disorder (SUD) treatment services. There is no increase in Net County Cost associated with the recommended action.

ALTERNATIVE ACTION(S):

If your Board does not approve the recommended action, Fresno County SUD providers that are in the process of obtaining DMC certification will be unable to provide critical services until DMC certification is obtained which will result in significant gaps in SUD treatment service availability.

RETROACTIVE AGREEMENT:

The recommended Amendment I is retroactive to January 1, 2019 to align with the effective date of the Drug Medi-Cal Organized Delivery System (DMC-ODS) implementation so providers that serve critical populations can continue to deliver services without a gap in coverage. The Master Agreement was approved by your Board on December 11, 2018 at which time the need to include language allowing for a temporary waiver was not known.

FISCAL IMPACT:

There is no increase to Net County Cost associated with the recommended action. The total contract cost (\$14,512,096) will be fully offset by Substance Abuse Treatment and Prevention (SAPT) Block Grant and Behavioral Health Realignment funds. Sufficient appropriations and estimated revenues (\$2,073,157) are included in the Department's Org 5630 FY 2018-19 Adopted Budget and will be included in subsequent budget requests for the duration of the agreement.

DISCUSSION:

On December 4, 2018, your Board approved an intergovernmental agreement with the Department of Health Care Services (DHCS) to provide substance use disorder (SUD) treatment services under a new service delivery model known as the DMC-ODS. The DMC-ODS is a pilot program to test a new paradigm for the organized delivery of SUD treatment services for Medicaid-eligible individuals with an SUD. The DMC-ODS will demonstrate how organized SUD care improves outcomes while decreasing other system health care costs.

Under the DMC-ODS, counties are required to ensure an adequate network of services are available for the Medi-Cal population. Fresno County's DMC-ODS services became operational on January 1, 2019.

Residential SUD treatment and withdrawal management providers are critical components of the organized delivery system. Due to the longer than anticipated DMC certification process, the Department has determined that temporarily waiving the DMC certification requirement stated in the RFSQ for these services would be in the best interest of the population served. Providers delivering services under this temporary waiver will be able to provide residential treatment services to non-DMC eligible persons and withdrawal management services to both DMC eligible and non-DMC eligible persons, which will fill a critical gap in the service delivery system.

REFERENCE MATERIAL:

BAI #34, December 11, 2018

BAI #40, December 4, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment I

CAO ANALYST:

Ronald W. Alexander, Jr.