



Board Agenda Item 37

DATE: May 25, 2021

TO: Board of Supervisors

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

SUBJECT: Amendment II to Agreement with Beacon Health Options, Inc.

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment II to Agreement No. 18-685 with Beacon Health Options of California, Inc., to provide a 24/7 Substance Use Disorder Access Line, Residential Authorizations, and Mental Health Inpatient Concurrent Reviews extending the term by one year from July 1, 2021 to June 30, 2022, and increasing the maximum by \$1,232,928 to a total of \$6,567,856.

Approval of the recommended action will ensure that necessary behavioral health services continue uninterrupted during the current COVID-19 pandemic and allow Beacon Health Options (Beacon) the ability to continue providing services while the competitive bid processes are finalized. There is no Net County Cost associated with the recommended action. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. Should your Board not approve the recommended action, the Department of Behavioral Health will be out of compliance with California Department of Health Care Services (DHCS) Drug Medi-Cal Organized Delivery System (DMC-ODS) requirements as stated in Intergovernmental Agreement No. 18-95145. If not approved, substance use disorder services from the existing provider will be reduced.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended action will increase the total compensation from \$5,334,928 to \$6,567,856 (\$1,232,928). The contract identified within this agenda item will be fully funded by its existing funding sources including, but not limited to: Medi-Cal Federal Financial Participation and Realignment funds. Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2020-21 Adopted Budget and will be requested in the FY 2021-22 recommended budget.

DISCUSSION:

On December 4, 2018, the Board approved State Agreement No. 18-95145 an intergovernmental agreement with the DHCS to provide substance use disorder treatment services under a new service delivery model known as the DMC-ODS.

On December 11, 2018, the Board approved Agreement No. 18-685 with then ValueOptions of California, Inc., (ValueOptions) for operation of a 24/7 Substance Use Disorder Access Line, Substance Use Disorder

Residential Authorizations, and Mental Health Inpatient Concurrent Reviews for residential service providers. On April 28, 2020, your Board approved Amendment I to Agreement No. 18-685 with Beacon formerly known as ValueOptions to extend the contract term for one additional year from July 1, 2020 to June 30, 2021 and increase the maximum compensation to \$5,334,928 due to the COVID-19 pandemic.

Request for Proposals (RFP) #20-048 was issued for Substance Use Disorder Residential Authorizations, Concurrent Reviews of Mental Health Inpatient Treatment Authorizations and 24/7 SUD Access Line by the Internal Services Department - Purchasing Division in coordination with the Department on March 2, 2020 and closed on June 4, 2020 with one proposal accepted. The Review Committee consisting of two Clinical Supervisors, one Senior Staff Analyst, one Staff Analyst, and one Senior Substance Abuse Specialist from the Department reviewed the proposal and a tentative award notice was issued on August 10, 2020. During subsequent contract negotiations, the Department decided to cancel the RFP and intends to issue two RFPs with more focused scopes for more bidders to submit responses for the Department to consider. One RFP for the 24/7 Access Line and another for the Residential Authorizations and Mental Health Inpatient Concurrent Reviews, that will increase the integration between mental health services and substance use disorder services to better serve our community.

Due to the challenges presented by COVID-19, County and contracted provider staff have been affected by unanticipated staff shortages and accommodations to meet the new requirements and safety precautions.

With your Board's approval of the recommended action the Department will have flexibility to maintain the current service levels provided to the individuals served throughout the behavioral health system of care and complete the competitive bidding process and contract negotiations.

REFERENCE MATERIAL:

BAI #31.1, April 28, 2020
BAI #29, December 11, 2018
BAI #40, December 4, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment II to Agreement No. 18-685 with Beacon

CAO ANALYST:

Sonia M. De La Rosa