



Board Agenda Item 53

DATE: June 20, 2023

TO: Board of Supervisors

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

SUBJECT: Amendment II to Master Agreement with Institution of Mental Disease (IMD) Facilities including Skilled Nursing Facilities (SNFs), Geropsychiatric Nursing Care Facilities (GNCFs), IMDs, and Mental Health Rehabilitation Centers (MHRCs)

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to waive the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances due to the non-competitive nature of the Master Agreement; and**
- 2. Approve and authorize the Chairman to execute Amendment II to Master Agreement to adjust contractor rates, revise compensation language, and updates required insurance, data security, and indemnity requirements as well as add GHC of Fresno, LLC d.b.a. Horizon Health & Subacute Center; GHC of Anberry, LLC d.b.a. Anberry Nursing and Rehabilitation Center; and RG Legacy II, LLC d.b.a. Pasadena Nursing Center to County Master Agreement No. 23-059 with no change to the term of July 1, 2021 to June 30, 2026, or compensation maximum of \$133,577,211.**

Approval of the recommended actions will allow the Department of Behavioral Health to expand the network of service providers to ensure appropriate and necessary placements for County persons served in appropriate levels of care, revises agreement language to align with Department processes, includes new Services Agreement language required by County Risk Management, and allows for increased rates that are requested annually from contracted facilities. This item is countywide.

ALTERNATIVE ACTION(S):

Should the Board not approve of the recommended actions, the Department would not be able to expand its network of contracted facilities to meet the expanding need and would remain out of compliance with contract language required by County Risk Management.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department's request to waive the competitive bidding process is consistent with Administrative Policy No. 34 due to the non-competitive nature of the Master Agreement. All qualified, licensed and interested vendors may be added to the Master Agreement, subject to Board approval, to meet the Department's placement needs as assessed by clinical staff and in accordance with all terms and conditions specified in the contract (including all credentialing and compliance requirements) will be able to participate as a contracted provider. The Internal Services Department - Purchasing concurs with the Department's request to waive the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation in FY 2023-24 is \$26,474,329. The maximum compensation for the term is \$133,577,211. The recommended agreement is funded with Mental Health Realignment. Sufficient appropriations and estimated revenues were included in the Department's Org 5630 FY 2022-23 Adopted Budget and will be included in future budget requests for the duration of the term. Actual costs will be determined by actual services provided.

DISCUSSION:

On July 13, 2021, the Board approved Master Agreement No. A-21-258 with licensed and credentialed facilities to provide beds and services at the appropriate level of care secured Skilled Nursing Facilities (SNF), Geropsychiatric Nursing Care Facilities (GNCF), Institutions of Mental Disease (IMD), and Mental Health Rehabilitation Centers (MHRC) to County adults living with severe and persistent mental health conditions, as mandated by the WIC and CCR Title 22. The Department of Behavioral Health amended Master Agreement No. A-21-258 on February 7, 2023 to add a provider onto the Agreement collectively recorded as Master Agreement No. A-23-059.

As the need for services continues to increase annually, the DBH Conservatorship Team has continuously sought new providers to expand the County's network. Per their recommendation, the Contracts division of the Department of Behavioral Health has communicated extensively with the above providers to ensure their level of care and approaches are consistent with the expectations of the County. All three providers have been determined to be appropriate additions of this Master Agreement and essential for the improvement and proficiency of the County's provider network.

As the cost of living continues to rise alongside current inflation rates, contracted providers have requested an adjustment to their rates to continue offering the County required standard of care to all persons served. Rate adjustments are meant to also assist in ensuring proper staffing through sufficient salaries and benefits and site maintenance to uphold County expectations. Annually contracted facilities are allowed to propose adjusted rates which are reviewed and approved by the DBH Director.

Previously, the Director was authorized to add vendors and adjust rates per the original master agreement and agenda item, however, County Counsel has recently determined that adding and deleting vendors as well as adjusting rates annually must go before the Board for approval.

This amendment revises the Compensation language to align with current Department practices for review and approval of Special Service Authorization forms as well as third party payment requirements. This amendment also updates required insurance, data security, and indemnity requirements to match the new Service Agreement language.

OTHER REVIEWING AGENCIES:

The Fresno County Behavioral Health Board was informed of the recommended agreement at their May 2023 meeting.

REFERENCE MATERIAL:

BAI # 29 - February 7, 2023
BAI # 31 - July 13, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request

On file with Clerk - Amendment II to Master Agreement

CAO ANALYST:

Ronald Alexander