



Board Agenda Item 37

DATE: April 23, 2024

TO: Board of Supervisors

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

SUBJECT: Retroactive Amendment I to Master Agreement for Inpatient Psychiatric Hospital Services

RECOMMENDED ACTION(S):

- 1. Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34), determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances, and that the best interests of the County would be served by entering into a master agreement as the contractors are the only vendors eligible to provide supplemental residential board and care home services; and,**
- 2. Approve and authorize the Chairman to execute a retroactive Amendment I to Master Agreement to add Sacramento Behavioral Healthcare Hospital, LLC., effective December 1, 2023, with no change to the term of January 1, 2023 to June 30, 2025, or compensation maximum of \$58,000,000.**

Approval for the recommended actions will allow the Department of Behavioral Health to add Sacramento Behavioral Healthcare Hospital, LLC. to the Inpatient Psychiatric Hospital Services Master Agreement. This item is countywide.

ALTERNATIVE ACTION(S):

Should the Board not approve of the recommended actions, the Department would not be able to pay for persons served referred to Sacramento Behavioral Healthcare Hospital, LLC requiring inpatient psychiatric hospital services, and this hospital would not be able to continue providing needed beds for inpatient psychiatric hospital services to Fresno County persons served.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is requested that the County find under AP No. 34 that an exception to the competitive bidding requirement is satisfied, and a suspension of competition is warranted due to unusual or extraordinary circumstances, due to the non-competitive nature of the Master Agreement. All qualified, licensed and interested vendors, such as Sacramento Behavioral Healthcare Hospital, LLC, 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 assessment that this satisfies the exception to the competitive bidding process required by AP 34.

RETROACTIVE AGREEMENT:

The recommended amendment is retroactive to December 1, 2023 to add Sacramento Behavioral Healthcare Hospital, LLC. The historic utilization of this hospital has been low but an unexpected surge in admissions resulted in exceeding the maximum amount allowed under the Purchasing Agreement currently utilized to pay for non-contracted hospitals. The negotiation with Sacramento Behavioral Healthcare Hospital to enter into the Master Agreement to allow for payment of mandatory services took additional time.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation in FY 2023-24 is \$25,000,000. The maximum compensation for the term is \$58,000,000. The recommended agreement is funded with Mental Health Realignment. Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2023-24 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.

Three claims are pending payment for dates of service December 7, 2023 through January 19, 2024 for the amount of \$27,246.

DISCUSSION:

On June 20, 2023, your Board approved Master Agreement No. A-23-309 for inpatient psychiatric hospital services to Fresno County persons served pursuant to Sections 14700 et seq. and 14712 et seq. of the California Welfare and Institutions Code.

On May 23, 2023, your Board approved Board Agenda Item 28 which authorizes the Purchasing Manager to approve payments for psychiatric inpatient hospital services in other counties to Fresno County Medi-Cal beneficiaries without an agreement up to a maximum of \$200,000. The Department does not control the referral process from Emergency Departments to Inpatient Psychiatric Hospitals that accept Fresno County persons served.

Sacramento Behavioral Healthcare Hospital, LLC. has been serving Fresno County persons served under Board Agenda Item 28 for non-contracted Inpatient Psychiatric Hospitals and has exhausted the maximum amount authorized. Regularly, Inpatient Psychiatric Hospitals invoice for services are received by the Department up to a year after services are rendered. The Department constantly reviews expenditures under the Board Agenda Item to ensure we attempt to enter into agreements with hospitals nearing the Purchasing Manager's authority. Since the Department has contacted Sacramento Behavioral Healthcare Hospital, LLC. to add them to the Master Agreement, several invoices have been received and the Department ran out of spending authority December 1, 2023.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended agreement at the April 2024 meeting.

REFERENCE MATERIAL:

BAI #48, June 20, 2023
BAI #28, May 23, 2023

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition
On file with Clerk - Amendment I to Master Agreement No. A-23-309

CAO ANALYST:

Ron Alexander