



Board Agenda Item 47

DATE: June 10, 2025

TO: Board of Supervisors

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

SUBJECT: Master Agreement with Short-Term Residential Therapeutic Programs for Specialty Mental Health 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 the Master Agreement given the non-competitive nature of Master Agreements; and**
- 2. Approve and Authorize the Chairman to execute a Master Agreement with multiple Short-Term Residential Therapeutic Programs for the provision of specialty mental health services to youth placed in their program(s), effective July 1, 2025, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$75,000,000.**

There is no additional Net County Cost associated with the recommended actions, which will allow mental health providers operating Short-Term Residential Therapeutic Programs (STRTPs) located within California to provide specialty mental health services to youth placed in their care. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. If the Board does not approve the recommended actions, youth in the child welfare and probation systems may experience a gap or delay in receiving essential specialty mental health services. Additionally, there will be a limited number of specialty mental health resources available within the system of care, bringing the County out-of-compliance with the state's Continuum of Care Reform.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is requested that the County find under AP 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 master agreements as well as the specific utilization of this agreement for youth in the child welfare and probation systems. The General Services Department - Purchasing concurs with the Department's assessment that this satisfies the exception to the competitive bidding process required by AP 34.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The total maximum amount of the recommended Master Agreement (\$75,000,000) will be fully offset with Medi-Cal FFP and Mental Health Realignment. Sufficient appropriations and estimated revenues will be included in the Department's Org 5630 FY 2025-26 Recommended Budget and in all subsequent recommended budgets for the entirety of the contract term. Actual costs will be determined by actual services provided.

DISCUSSION:

On October 11, 2015, Assembly Bill 403 was signed into law allowing the State of California to implement provisions of the Continuum of Care Reform (CCR). This reform included the creation of a new youth residential licensing category - the Short-Term Residential Therapeutic Program (STRTP) - to replace the group home Rate Classification Level (RCL) structure and to provide short-term, specialized, and intensive treatment, 24-hour care, and supervision to youth and non-minor dependents placed within their agency.

On September 25, 2016, Assembly Bill 1997 adopted additional changes to further facilitate implementation of CCR, including the requirement for STRTPs to be the providers of specialty mental health services to youth and non-minor dependents placed in their care. This would allow for the timely provision of services and greater care coordination for foster youth in the system. Once licensure from the California Department of Social Services (CDSS) is achieved, the STRTP has twelve months to obtain mental health program approval, including Medi-Cal site certification, by its local Mental Health Plan. For STRTPs within Fresno County, this mental health program approval is completed via the Fresno County Department of Behavioral Health (DBH). STRTPs located outside of Fresno County receive their mental health program approval either from the Department of Health Care Services (DHCS) or their county of residence, if said county is a delegate county.

On August 7, 2018, the Board approved Master Agreement A-18-418 with multiple Short-Term Residential Treatment Programs and out-of-state group homes for the provision of specialty mental health services to persons served residing in their program. This agreement allowed facilities to provide specialty mental health services to foster care persons served placed in their care.

On June 20, 2023, the Board approved Superseding Master Agreement No. A-23-277 with multiple Short-Term Residential Treatment Programs and out-of-state group homes for the provision of specialty mental health services to persons served residing in their program. This master agreement provided specialty mental health services to persons served residing in contracted facilities and made necessary changes required by the implementation of California Advancing and Innovating Medi-Cal (CalAIM), including a new billing structure for Medi-Cal services.

The Board has approved six (6) amendments over the term to add providers to the agreement.

The current agreement, set to expire on June 30, 2025, includes 23 vendors (11 located within Fresno County and 12 located outside of Fresno County) who have provided services to 387 unique youth between July 2023 and February 2025.

Utilization Data

<u>Fiscal Year</u>	<u>Persons Served</u>	<u>Number of Services</u>	<u>Expenditures</u>
2021-2022	314	30,377	\$3,042,508
2022-2023	284	34,995	\$4,983,706
2023-2024	314	43,186	\$5,976,040

Utilization data for this program indicates an average of 0.5% growth in number of persons served, an average of 19.30% growth in number of services rendered, and an average growth of 41.86% in

expenditures across all fiscal years. Utilization data for this program is impacted by the fluctuating number of contracted STRTPs as well as additional procedural changes such as a change in presumptive transfer regulation this past fiscal year, which impacted the financial responsibility of Fresno County. Fresno County is no longer automatically responsible for youth coming in from out-of-county, which has resulted in a slight decline in service numbers and persons served for this current fiscal year. The maximum compensation for each fiscal year for this agreement was estimated based on the current growth trends as well as accounting for the update to presumptive transfer and the inclusion of the updated provision for medication support by contracted providers.

Approval of the first recommended action will suspend the competitive bidding process consistent with Administrative Policy No. 34, for delivery of STRTP services through licensed facilities. Approval of the second recommended action will authorize the Master Agreement with STRTP facilities for the provision of SMHS services, for a five-year term, total not to exceed \$75,000,000.

The modification and rate modification clauses of the agreement delegate the board's authority to the DBH Director to make certain changes to the agreement during the term of the agreement, as further described in the Article 15, Sections 1 and 2 of the agreement.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended Agreement during the May 2025 meeting.

REFERENCE MATERIAL:

BAI #45, December 3, 2024
BAI #30, August 20, 2024
BAI #32, July 9, 2024
BAI #40, April 9, 2024
BAI #35, October 24, 2023
BAI #29, August 22, 2023
BAI #44, June 20, 2023
BAI #39, August 7, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request Form
On file with Clerk - Master Agreement

CAO ANALYST:

Ronald Alexander Jr.