



# Board Agenda Item 9

DATE: February 11, 2025

TO: Board of Supervisors

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

SUBJECT: Retroactive State Applications / Agreements for Substance Abuse and Mental Health Services Administration Community Mental Health Services Block Grant and Substance Abuse Prevention and Treatment Block Grant

RECOMMENDED ACTION(S):

- 1. Retroactively approve and authorize the Department of Behavioral Health's previous submittal of the Biennial 2024-2026 Community Mental Health Services Block Grant application to the Department of Health Care Services (\$10,000,000);**
- 2. Approve and authorize the Chairman to execute the retroactive Biennial 2024-2026 Community Mental Health Services Block Grant application/agreement with the Department of Health Care Services, effective July 1, 2024 through June 30, 2026, total not to exceed \$10,000,000;**
- 3. Retroactively approve and authorize the Department of Behavioral Health's previous submittal of the Biennial 2024-2026 Substance Use and Prevention Treatment Block Grant application to the Department of Health Care Services (\$9,454,810);**
- 4. Approve and authorize the Chairman to execute the retroactive Biennial 2024-2026 Substance Use and Prevention Treatment Block Grant application/agreement with the Department of Health Care Services, effective July 1, 2024 through June 30, 2026, total not to exceed \$9,454,810; and**
- 5. Approve and authorize the Department of Behavioral Health Director, or designee, to be the signatory and act as the Fresno County representative on behalf of the Board of Supervisors on associated Community Mental Health Services Block Grant application and Substance Use Prevention and Treatment Block Grant documents, budget change revisions, expenditure forms and reports, with no change to the compensation amount or term.**

Approval of the recommended actions will authorize the retroactive submission of the FY 2024-26 biennial applications for the Community Mental Health Services Block Grant (MHBG) and Substance Use Prevention and Treatment Block Grant (SUBG) with the Department of Health Care Services (DHCS) to continue to fund dual diagnosis mental health services in licensed residential board and care facilities and substance use disorder (SUD) treatment and prevention programs. Approval of recommended actions will also authorize the Department of Behavioral Health Director to sign related reports and forms, and to act as a representative of the County. This item is countywide.

DHCS released the application for MHBG on June 3, 2024 with a submission deadline of June 28, 2024. DHCS released the application for SUBG on May 7, 2024 with a submission deadline of June 7, 2024. To

meet the DHCS deadline for application submission, the Director of the Department submitted a placeholder application for both applications contingent on approval by the Board of Supervisors. Approval of recommended actions two and four will allow the Department to resubmit the application replacing the placeholder application.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, the Department will not receive grant funds to assist in placement of adults with mental health and substance use disorder treatment needs into specialized supplemental board and care facilities and substance use disorder treatment and prevention programs. Additionally, the Department will have to return to your Board for signature on all necessary grant reports and forms for submittal to DHCS.

RETROACTIVE AGREEMENT:

The recommended MHBG and SUBG Biennial FY2024-26 applications are retroactive to July 1, 2024. The approvals of these applications were not received until August 7, 2024 (MHBG) and September 3, 2024 (SUBG). The Department was not able to present the recommended applications to your Board on an earlier date due to the extensive time required to review the applications.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended MHBG application will fund Specialized Supplemental Board and Care Homes in the amount of \$10,000,000 (\$5,000,000 allocated annually for FYs 2024-25 and 2025-26). The Department is eligible for FY 2024-25 and 2025-26 grant funds in the amount of \$2,381,212 (a base allocation of \$1,962,313 and dual diagnosis set-aside funds of \$418,899 for each fiscal year). This MHBG funding does not require a match and program expenses are 100% offset with these federal funds and Mental Health Realignment (\$2,618,788). The Department is allowed up to 10% for administrative costs (\$196,231).

The SUBG will provide \$9,454,810 (\$4,727,405 allocated annually for FYs 2024-25 and 2025-26).

Sufficient appropriations and estimated revenues for both grants are included in the Department's Org 5630 FY 2024-25 Adopted Budget and will be included within subsequent budget requests.

DISCUSSION:

**MHBG:**

On September 10, 2019, the Board approved Agreement No. 19-438 with DHCS to receive MHBG funds to partially fund Transitional Residential Services Program (TRSP) and Specialized Transitional Residential Services Program (STRSP) services as operated by providers under existing Agreement No. 17-377 approved by the Board on July 11, 2017. The service name for this contract was amended on August 24, 2021 to rename services to Specialized Supplemental Board and Care Home Services. A renewed agreement for these services was brought before the Board on June 7, 2022, Master Agreement No. A-22-230 with eighteen (18) contracted providers. Since then, five (5) facilities have been added increasing the facilities to twenty-three (23).

On September 6, 2022, the Board approved Agreement No. 22-409 with DHCS to receive MHBG funds to continue supporting the transition of conserved adults with Serious Mental Illness from locked and/or higher-level of care services to less restrictive facilities and more appropriate level of care that are closer to their families and other supports. The facilities provide Specialized Supplemental Board and Care Services at facilities licensed as Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE). The grant will also fund the Department's staff time for administrative activities and periodic grant-related expenditure reporting.

Approval of the MHBG application will continue to support and allow the Department to operate the Specialized Supplemental Board and Care Home Services program. It will continue to fund the Department's staff time for administrative activities and periodic grant-related expenditure reporting.

**SUBG:**

Since FY 1989-90, DHCS has contracted with the County to provide SUD treatment services. The recommended grant applications are expected to provide Federal funding dispersed through DHCS to support SUD treatment and prevention services for County of Fresno residents. The County will be able to utilize these block grant funds to contract with local providers for SUD treatment services to residents who do not qualify for Drug Medi-Cal (DMC) reimbursement and have no alternative payment options. The SUBG Prevention grant allocates funds for primary prevention program activities that serve Fresno County residents.

On August 10, 2021, the Board approved Performance Agreement No. 21-10080 (County Agreement No. 21-296), a contract between the DHCS and the County that set forth conditions and requirements the County must meet to receive funding for multiple programs, including the SUBG. In previous years, DHCS administered SUBG funding through a three-year contract with the County; however, DHCS has integrated the SUBG into the County Performance Agreement as of FY 2020-21.

On July 12, 2022, the Board approved the previous submittals of the FY 2020-22 SUBG and the FY 2022-24 SUBG.

Approval of the SUBG application will allow the continuation of the Department to receive funds to support SUD treatment and prevention programs. The recommended action will also allow the Director, or designee, to sign grant documents, expenditure forms, and reports on behalf of your Board over the term.

The following clauses are included in the SUBG application:

1. There is a one-way termination clause (page 51).
2. The County is agreeing to indemnify DHCS for intellectual property claims (page 55).
3. The County is agreeing to the dispute resolution process outlined on page 58.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was made aware of the recommended agreement at its February 2025 meeting.

REFERENCE MATERIAL:

BAI #30, September 6, 2022  
BAI #35, July 12, 2022  
BAI #28, August 10, 2021  
BAI #34, September 10, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Previously Submitted Application (MHBG)  
On file with Clerk - Agreement with DHCS (MHBG)  
On file with Clerk - Previously Submitted Application (SUBG)  
On file with Clerk - Agreement with DHCS (SUBG)

CAO ANALYST:

Ronald Alexander

