



Board Agenda Item 45

DATE: June 5, 2018

TO: Board of Supervisors

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

SUBJECT: Master Agreement for Outpatient Substance Use Disorder Treatment Services for Adolescents ages 12 to 17 and adults aged 18 years old receiving school-based treatment.

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a Master Agreement for outpatient youth treatment services effective July 1, 2018 not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$5,000,000.**
- 2. Authorize the Director of the Department of Behavioral Health, or designee, to add/delete providers to the Master Agreement for outpatient youth treatment services.**
- 3. Authorize the Director, or her designee, to update reimbursement rates in the Master Agreement with revised State Plan rates or with negotiated provider-specific rates upon implementation of the Drug Medi-Cal Organized Delivery System. Annual rate updates will not result in an increase to the maximum compensation.**

The first recommended action will allow for community-based substance use disorder service providers to deliver medically necessary substance use disorder (SUD) treatment services to adolescents ages 12 to 17 and adults aged 18 years old receiving school-based treatment. The second recommended action will permit the Director of the Department of Behavioral Health or designee to add or delete providers to the master agreement. The third recommended action will allow the Director to update reimbursement rates to annually revised State Plan rates or with provider-specific rates, as approved by the Department of Health Care Services (DHCS). Annual rate updates will not result in an increase to the maximum compensation. The agreement will be funded with Behavioral Health Realignment funds, with no increase in Net County Cost.

ALTERNATIVE ACTION(S):

There is no viable alternative action. If your Board does not approve the recommended action, the County would not be able to provide SUD treatment services to youth who do not have Medi-Cal or other health insurance coverage, or who are requesting confidential Minor Consent services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The agreement will be fully funded with Behavioral Health Realignment funds. The annual contract maximum for FY 2018-19 and each subsequent year is \$1,000,000 for all providers combined; \$5,000,000 for the five-year term. Sufficient

appropriations and estimated revenues will be included in the Department's Org 5630 FY 2018-19 Recommended Budget and will be included in future fiscal year budgets for the balance of the contract term.

DISCUSSION:

A Request for Statement of Qualifications (RFSQ) was issued on January 17, 2018 with notices sent out to over 30 potential bidders seeking Drug Medi-Cal (DMC) certified agencies to provide outpatient SUD treatment services to youth.

The RFSQ required providers to describe the service delivery for the programs with an emphasis on qualified staff, incorporating evidence-based practices, outcome informed treatment methods, client-driven outcomes and utilizing and creating linkages with community agencies. The Department received seven (7) responses. Based on the bidders' responses to the RFSQ, demonstrated knowledge of and experience with the target population, and ability to offer immediate services through existing infrastructure and established relationships within the community, five (5) agencies are recommended for funding.

The recommended master agreement will provide SUD treatment to adolescents who are either not eligible for DMC services or who are requesting confidential Minor Consent services. The master agreement gives the Department flexibility to respond to the treatment needs of this population by allowing the Director, or designee, to add providers to the master agreement in order to expand access where an increased need for services is identified.

The agreement will allow the Director, or designee, to update provider reimbursement rates annually as approved by DHCS. Services provided under this agreement are comparable to DMC-funded services; therefore, the DHCS-approved DMC rates will serve as the reimbursement rates for this agreement. Currently, DHCS publishes updated reimbursement rates at the beginning of each fiscal year. The Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver, which goes into effect October 2018, requires rates to be negotiated annually based on providers' budgets and projected costs. Rates will be updated upon DMC-ODS Waiver implementation per the new rate negotiation process and annually thereafter. Annual rate updates will not result in an increase to the maximum compensation.

Section 13 of the agreement contains the insurance coverage and language currently approved for use in the County's model contract. Risk Management has recently proposed that the insurance coverage and language in the County's model contract be revised. County Counsel and Risk Management will be working on these changes over the next several months. However, the Department has a need to move forward with this contract to address service needs. Additionally, the Department believes the insurance coverage required in Section 13 of the agreement adequately protects the interests of the County in this contract and County Counsel is comfortable signing the agreement as to legal form. Therefore, it is recommended your Board approve the recommended agreement in its current form.

With your Board's approval, the proposed agreement will be effective July 1, 2018 and will provide for unilateral amendments by the County, and will allow the Director, or designee, to issue notice of non-renewal. The recommended agreement may be terminated by either party by giving thirty days advance written notice.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Youth Treatment Services Master Agreement

CAO ANALYST:

Ron Alexander