



Board Agenda Item 30

DATE: April 4, 2017

TO: Board of Supervisors

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

SUBJECT: Agreement for Rural Outpatient Substance Use Disorder Services

RECOMMENDED ACTION(S):

- 1. Approve and authorize Chairman to execute an Agreement with Promesa Behavioral Health, for rural outpatient substance use disorder treatment services, effective upon execution through June 30, 2019, with two optional one-year extensions (\$1,381,250).**
- 2. Authorize the Director of the Department of Behavioral Health, or designee, to modify services and budget line items greater than 10% within budgets without exceeding the annual contract maximum.**

Approval of the first recommended action will allow the Department of Behavioral Health to contract with Promesa Behavioral Health to provide outpatient substance use disorder treatment services in the rural communities of Coalinga/Huron and Firebaugh/Mendota. Approval of the second recommended action will allow the Department Director, or designee, to approve modifications of services to accommodate changes in the law as well as budget line items greater than 10% of the contract maximum, which do not exceed the contract maximum, through an amended version approved by County Counsel and the County Auditor-Controller/Treasurer-Tax Collector. Modifications to services outside of this parameter and budget modifications that exceed the annual contract maximum will continue to be brought to your Board for approval. The services are fully 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 first recommended action, added substance use disorder treatment services will not be provided in rural areas of the County and clients will be required to travel to the Fresno area to receive medically necessary treatment. If the second recommended action is not approved, the Department will return to your Board for approval for budget and service modifications.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The FY 2016-17 cost is \$81,250. The maximum annual funding for FYs 2017-18 through 2020-21 will not exceed \$325,000; \$1,381,250 for the term. Initially, funding for these services will be through Behavioral Health Realignment funds. Once Drug Medi-Cal (DMC) certification is obtained by the selected vendor, funding will be partially offset by DMC reimbursement. Sufficient appropriations and estimated revenues are included in the Department Org 5630 FY 2016-17 Adopted Budget and will be included in future budget requests for the contract term.

The recommended administrative costs for FYs 2016-17 through 2020-21 are at 10% compared to the total budget. The recommended employee benefits costs for FY 2016-17 are at 21.03% compared to the total

budget, and at 21% compared to the total salaries for FYs 2017-18 through 2020-21. The benefits calculation includes employee health and retirement costs, life insurance, Worker's Compensation, State Unemployment insurance and payroll taxes. Based on similar contract services, the percentages are both reasonable and necessary for the administration of the program.

DISCUSSION:

In February and March 2016, meetings were held in the Coalinga/Huron and Firebaugh/Mendota communities to identify unmet substance use disorder treatment service needs. The communities agreed that treatment and ancillary services, such as Alcoholics Anonymous and Narcotics Anonymous, were limited or non-existent but would be beneficial. Law enforcement in these communities primarily cite and release individuals who are under the influence or in possession of a controlled substance due to the distance between the rural community and the County Jail. These individuals, who would be candidates for treatment services, generally fail to appear in Drug Court for treatment needs screening because of transportation issues. Additionally, individuals who fail to appear and are referred to treatment frequently fail to engage in the treatment due to the distance to the closest treatment facility, therefore, establishing treatment programs in these communities would address the unmet need.

Additionally, the County will likely opt in to the Drug Medi-Cal (DMC) Organized Delivery System (ODS) Pilot program. The DMC-ODS Pilot will expand services reimbursable under the DMC program and support coordination and integration across systems, strengthen county oversight of network capacity, and improve consumer access to services. The County's expectation is that the selected provider will move towards DMC certification in anticipation of the DMC-ODS Pilot expected in Fiscal Year 18/19.

Request for Proposal (RFP) No. 17-030 for rural outpatient services was issued on November 17, 2016 and closed on December 8, 2016. The RFP required bidders to describe the service delivery for the proposed program with an emphasis on quality of staff, client-driven outcomes, partnering with existing community services and innovative ways to establish rural services. Promesa Behavioral Health was the only vendor to submit a proposal.

The evaluation panel, consisting of staff from the Departments of Behavioral Health and Social Services (Staff Analyst, Senior Accountant and a Clinical Supervisor) and a member of the Fresno County Behavioral Health Board, met on December 22, 2016 to evaluate the sole bid. Based on the proposal content, quality of proposed services and the bidder's experience in delivering treatment services to rural populations and ability to partner with existing community-based services, the committee recommended Promesa Behavioral Health for funding.

Upon approval by your Board, the recommended agreement will allow for rural outpatient substance use disorder treatment services in the communities of Coalinga/Huron and Firebaugh/Mendota. Annual program and fiscal reviews will include client service monitoring; established outcomes; adherence to applicable laws, regulations and guidelines; and, fiscal integrity. The second recommended action will allow modification to services as well as budget modifications over 10% with the written approval of County Counsel and the Auditor-Controller/Treasurer-Tax Collector, with no change to annual maximum compensation. The recommended agreement will become effective upon execution, and will not exceed 4.25-year, which includes a 2.25 base with two optional one-year extensions. The recommended agreement deviates from the standard agreement term to bring the agreement into alignment with the fiscal year. It provides for unilateral amendments by the County and allows the Director, or designee, to issue notice of non-renewal. The recommended agreement may be terminated by either party upon providing a 30-days advance written notice.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Promesa Behavioral Health

CAO ANALYST:

Sonia De La Rosa