



Board Agenda Item 50

DATE: June 20, 2017

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health
Delfino E. Neira, Director, Department of Social Services

SUBJECT: Master Agreement for Child Welfare Specialty Mental Health Services

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a supersede Master Agreement with providers of Child Welfare Specialty Mental Health Services, for individuals in the Child Welfare Services System, effective July 1, 2017 through June 30, 2019 (\$26,000,000).**
- 2. Authorize the Director of the Department of Behavioral Health, or designee, to add and/or delete providers or reallocate funding within the Master Agreement with providers of Child Welfare Specialty Mental Health Services.**

Approval of the first recommended action will supersede the existing Agreements Nos. 14-437, 15-461, and 15-462 with Central Star Behavioral Health, Inc. (Central Star), California Psychological Institute (CPI), and Uplift Family Services (Uplift). The recommended agreement would allow the Department of Behavioral Health to continue providing services to individuals involved in the Department of Social Services' (DSS) Child Welfare Services system. The recommended agreement provides flexibility due to the closure of a fourth program as of April 30, 2017.

Approval of the second recommended action, will allow for the addition and/or deletion of providers and funding reallocation, as necessary, within the Master Agreement with the existing and/or new contracted providers to meet service needs, without exceeding the annual contract maximum. The recommended Master Agreement will be primarily offset by Medi-Cal Federal Financial Participation (FFP) and Mental Health Realignment revenues, 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, children and families involved in the DSS Child Welfare Services system receiving court-ordered specialty mental health services and/or requiring the services in the future, may experience a gap and/or delay in services without the flexibility of a Master Agreement. Non-approval of the second recommended action would require the Department to return to your Board each time there is a change in service need requiring the addition and/or deletion of a provider and/or fund reallocation.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum amount of the recommended agreement (\$26,000,000) will be fully offset with Medi-Cal FFP, Mental Health Realignment, and 2011 Child Welfare Realignment. Sufficient appropriations and estimated revenues will be included in the Behavioral Health Org 5630 FY 2017-18 Requested Budget and in future budget requests for the duration of the

contract.

DISCUSSION:

On February 24, 2014, your Board received a Board Briefing Report regarding a collaborative Department of Social Services (DSS) and Department of Behavioral Health (DBH) competitive bidding process for mental health services for children and their families involved in the DSS Child Welfare Services system. The goal was to contract with one or more community-based providers to meet the mental health needs of this population, consistent with State-mandated Katie A. requirements and the DSS family-centered practice model. Your Board executed agreements for outpatient specialty mental health and court-specific services on July 29, 2014 with Mental Health Systems (MHS) and Central Star, and on September 22, 2015, with CPI and Uplift.

During FY 2016-17, DSS and DBH agreed not to renew the agreement with MHS beyond the initial 3-year term of July 29, 2014 to June 30, 2017. MHS was provided advanced written notification of non-renewal on December 7, 2016, which included the direction that referrals would cease, immediately. On March 1, 2017, MHS provided the County with a 60-day termination notice requesting that the effective end date of the program be moved up from June 30, 2017 to April 30, 2017 due to significant loss of staffing.

The closing of the MHS program necessitated the transition and disbursement of their entire active caseload to the remaining three vendors. On May 16, 2017, your Board approved three amendments with the three remaining vendors for an increase in maximum compensation to allow for the increased capacity and service needs of the transferred clients and new weekly client referrals. The amendments did not provide sufficient flexibility to reallocate funds across vendors because they were created as three separate and distinct contracts. Effectual flexibility is preferential in order to be able to quickly analyze and respond to fluctuations of referral flow or active client caseloads due to high acuity and/or long-term needs or possible staffing changes within the agencies. The Departments require maximum available flexibility to make timely decisions to meet child and family needs and current capacity trends.

The majority of the clients served by these providers have high acuity needs and require long-term services. In FY 2015-16, 3,245 unique clients were served among the four vendors with 51,832 services rendered, and 452 clients were discharged successfully with all treatment goals met. In the first nine months of FY 2016-17, July 2016 through March 2017, 2,708 unique clients were served among the four vendors with 45,106 services rendered. During this nine-month timeframe, 550 clients were discharged successfully with all treatment goals met, which reflects an approximate 18% increase in clients discharged successfully compared to FY 2015-16 with three months still remaining in FY 2016-17.

The term of the recommended agreement deviates from the County standard of a three-year base with two optional one-year extensions, as the recommended agreement will supersede agreements with Central Star, CPI, and Uplift that were in the last two years, expiring on June 30, 2019. The recommended agreement would ensure the necessary flexibility in budget and capacity for providers to be able to hire staffing appropriately and to meet capacity needs for the children and families, without a gap or delay in services. The DBH Director would be able to add and/or delete contractors, based on service need. If approved, the recommended agreement will become effective July 1, 2017, and may be terminated by the County, DBH, or DSS Directors, or designees, or the contractor(s), upon providing a 60-day advanced written notice.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended actions at the May 17, 2017 meeting.

REFERENCE MATERIAL:

BAI #33, May 16, 2017
BAI #7, September 22, 2015
BAI #29, June 6, 2015

BAI #5, July 29, 2014

BBR -- Child Welfare Mental Health Services, dated February 24, 2014 - posted February 25, 2014

BAI #37, July 7, 2011

BAI #27, September 21, 2010

BBR - Contract Status & Recommendations, dated May 6, 2010 - posted May 10, 2010

BAI #29, January 13, 2009

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Master Agreement for Child Welfare Specialty Mental Health Services

CAO ANALYST:

Sonia De La Rosa