



Board Agenda Item 34

DATE: December 11, 2018

TO: Board of Supervisors

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

SUBJECT: Superseding Agreements to Various Substance Use Disorder Agreements

RECOMMENDED ACTION(S):

1. **Approve and authorize Chairman to terminate Master Agreement Nos. 16-360-1 for Drug Medi-Cal funded outpatient treatment services; 16-361-2 for Substance Abuse Prevention and Treatment funded outpatient services; 16-295-1 for Substance Abuse Prevention and Treatment funded residential treatment services; and 15-245-2 for Residential Detoxification and Stabilization services, effective January 1, 2019.**
2. **Approve and authorize Chairman to execute a Master Agreement with Drug Medi-Cal certified providers for outpatient and residential services with no maximum compensation amount, effective January 1, 2019 through June 30, 2022 which includes a six month base contract and three optional one-year extensions.**
3. **Approve and authorize Chairman to execute a Master Agreement for non-Drug Medi-Cal outpatient services, effective January 1, 2019 through June 30, 2022 which includes a six month base contract and three optional one-year extensions, total not to exceed \$7,953,666.**
4. **Approve and authorize Chairman to execute a Master Agreement for non-Drug Medi-Cal residential services, effective January 1, 2019 through June 30, 2022 which includes a six month base contract and three optional one-year extensions, total not to exceed \$14,512,096.**
5. **Approve and authorize Chairman to execute a Master Agreement for residential room and board services, effective January 1, 2019 through June 30, 2022 which includes a six month base contract and three optional one-year extensions, total not to exceed \$12,507,418.**
6. **Approve and authorize the Chairman to execute a Master Agreement for Youth Treatment Services which will supersede Agreement No. 18-293, effective January 1, 2019 through June 30, 2023 which includes a two year and six month- base contract and two optional one-year extensions, total not to exceed \$6,049,944.**
7. **Approve and authorize the Chairman to execute a Master Agreement for Recovery Residence Services which will supersede Agreement No. 15-300-1, effective January 1, 2019 through June 30, 2020 which includes a six month base contract and one optional one-year extension, total not to exceed \$1,500,000.**
8. **Approve and authorize the Chairman to execute an Agreement for Rural Outpatient**

Services which will supersede Agreement No. 17-121-1, effective January 1, 2019 through June 30, 2021 which includes a six month base contract and two optional one-year extensions, total not to exceed \$520,000.

- 9. Authorize the Department of Behavioral Health Director or designee to add and/or delete providers to the Drug Medi-Cal Provider, the Non-Drug Medi-Cal Provider, the Non-Drug Medi-Cal Residential Provider, and the Residential Room and Board Provider Master Agreements.**

Approval of recommended actions one through five will allow the Department of Behavioral Health to begin implementation of the Drug Medi-Cal Organized Delivery System (DMC-ODS), an expanded and coordinated system of care for substance use disorder (SUD) treatment for Medicaid-eligible individuals. A Request for Statement of Qualifications was released to solicit bids for services under ODS implementation and the resulting agreements will nullify the existing agreements for outpatient and residential services. In addition, approval will permit the Director or designee to add or delete providers with no increase in Net County cost.

Approval of recommended actions six and seven will allow the Department to incorporate new ODS requirements into current provider agreements for non-DMC funded outpatient services for youth treatment and for sober living services, which will be known as recovery residences under ODS implementation. The ODS has brought changes to administrative and service delivery requirements within the agreement between Fresno County and the California Department of Health Care Services (DHCS) and in DHCS' Special Terms and Conditions for participating in the ODS; consequently, the Department must update provider contracts accordingly.

Approval of recommended action eight will allow the Department to increase funding for this agreement and incorporate new ODS requirements into current provider agreement for rural outpatient services. The ODS has brought changes to administrative and service delivery requirements within the agreement between Fresno County and the California Department of Health Care Services (DHCS) and in DHCS' Special Terms and Conditions for participating in the ODS; consequently, the Department must update provider contracts accordingly.

ALTERNATIVE ACTION(S):

If your Board does not approve the recommended actions, local SUD providers will be unable to offer expanded DMC-ODS services to Fresno County residents who are Medicaid-eligible. Fresno County will continue to provide only State-plan Medicaid services to eligible beneficiaries.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The individual maximum compensation amounts of the recommended Agreements (for a combined total of \$43,043,124) will be fully funded by, but not limited to: Drug Medi-Cal Federal Financial Participation, Substance Abuse Prevention and Treatment (SAPT) Block Grant, Alcohol Assessment fees and Behavioral Health Realignment. The DMC Master Agreement has no maximum compensation amount, DMC funding is caseload driven and varies depending on the number of services provided to eligible beneficiaries. The State is required to pay for each service provided up to a maximum allowable rate. Sufficient appropriations and estimated revenues are available in the Department's Org 5630 FY 2018-19 Adopted Budget and will be included in subsequent budget requests for the duration of the agreements.

DISCUSSION:

The State-County Contract governing these agreements will go before the Board on December 4, 2018, and

will go into effect concurrently with these agreements. The State-County Contract is between Fresno County and DHCS and enables the County to subcontract with DMC certified SUD providers for the provision of treatment services. With the exception of the County Perinatal Addiction Treatment and Health Services (Pathways to Recovery) program, all DMC services are subcontracted to community-based providers. The Department provides oversight of the programs, including fiscal oversight and ensuring that providers respond to billing disallowances due to non-compliance with State regulations. The Department is also responsible for conducting on-site monitoring visits to ensure that clinically appropriate services are provided; assure treatment is individualized to meet the client's need; provide insight into service needs and service gaps in the providers' program; provide oversight of clinical processes; ensure contractual and regulatory compliance; and to provide training and technical assistance on DMC requirements.

Fresno County has opted in to the DMC-ODS, a pilot program to test a new paradigm for the organized delivery of health care services for Medicaid-eligible individuals with an SUD. The DMC-ODS will demonstrate how organized SUD care improves outcomes while decreasing other system health care costs.

Critical elements of the DMC-ODS include a continuum of care modeled after the American Society of Addiction Medicine (ASAM) Criteria for SUD treatment services, increased local control and accountability, greater administrative oversight, utilization controls to improve care and efficient use of resources, use of evidence based practices in SUD treatment and increased coordination with other systems of care. It will foster greater integration of SUD services with primary care and mental health services. This approach is expected to provide individuals in need of SUD treatment services with access to the care and system interaction needed in order to achieve sustainable recovery. The target date for implementation is January 1, 2019.

On July 3, 2018, the Department issued a Request for Statement of Qualifications (RFSQ) for Substance Use Disorder Treatment Services under the DMC-ODS. The RFSQ required bidders to be DMC certified prior to delivering ODS services. Prospective bidders were required to describe experience with and knowledge of the modalities for which they were offering services, experience working with relevant organizations, and descriptions of how they will meet new requirements under the ODS (care coordination with physical and mental health and case management, for example). Bidders were also required to include information such as job descriptions, education and experience for all key staff.

Responses were received from fourteen agencies, with some wishing to offer services in multiple modalities. DBH Contracts Division - SUD Services staff reviewed the submissions and the Department is recommending that your Board authorize and approve the Chairman to execute the DMC Master Agreement with the vendors on Attachment A; to execute the Non-DMC Master Agreement with the vendors on Attachment B; to execute the Non-DMC Residential Master Agreement with the vendors on Attachment C; and to execute the Residential Room and Board Master Agreement with the vendors on Attachment D.

Services under current Sober Living and Youth Treatment Master Agreements were not solicited in the DMC-ODS RFSQ. The superseding agreements will include references to the DMC ODS and incorporate its new requirements.

Services under current Rural Outpatient Agreement was not solicited in the DMC-ODS RFSQ. The superseded agreement will include references to the DMC ODS and incorporate its new requirements. It will also increase funding for this agreement so that services may be delivered to more rural areas in Fresno County.

The recommended Agreements are effective January 1, 2019. They provide for unilateral amendments by the County and allow the Director or designee to issue notice of non-renewal. The recommended Agreements may be terminated without cause by the County upon giving the provider a 30-day advance written notice to terminate.

REFERENCE MATERIAL:

BAI #43, October 17, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Drug Medi-Cal Master Agreement
On file with Clerk - Non-Drug Medi-Cal Outpatient Master Agreement
On file with Clerk - Non-Drug Medi-Cal Residential Master Agreement
On file with Clerk - Residential Room and Board Master Agreement
On file with Clerk - Youth Treatment Services Master Agreement
On file with Clerk - Recovery Residence Master Agreement
On file with Clerk - Rural Outpatient Agreement
Attachments A - D

CAO ANALYST:

Ronald W. Alexander, Jr.