



Board Agenda Item 40

DATE: June 18, 2019

TO: Board of Supervisors

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

SUBJECT: Amendments to Various Agreements for Contract Term Extensions

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute the following Amendments with various contractors for contract term extensions with increases to the maximum compensations for FY 2019-20, effective July 1, 2019:

- 1. Amendment IV with Dr. John L. Shaeffer, Inc., A Professional Medical Corporation dba California Psychiatrists for the Master Agreement for Telemedicine Services (Agreement No. A-10-674-3) to provide telemedicine psychiatry services to severely mentally ill individuals, through December 31, 2019 (\$24,049,148).**
- 2. Amendment I with Mental Health Patient's Rights Advocate Program for Mental Health Patient's Rights Advocacy Services (Agreement No. A-14-275) for advocacy services to individuals receiving mental health services, through December 31, 2019 (\$1,258,713).**
- 3. Amendment II with Mental Health Systems for Co-Occurring Disorders Program Full-Service Partnership (Agreement No. A-14-276-1) for services to individuals with serious and persistent mental illness and substance use disorders who are homeless, at risk of homelessness, frequent users of crisis services, and/or at risk of incarceration, through December 31, 2019 (\$12,095,804).**
- 4. Amendment III with Dr. Richard Guzzetta, M.D. dba Touchstone Medical Group for Pathways to Recovery Program (Agreement No. A-14-101-2) for substance use disorder and mental health services, through June 30, 2020 (\$592,200).**
- 5. Amendment II with Family Development Center for Pathways to Recovery Therapeutic Child Care Center (Agreement No. A-14-292-1) for therapeutic child care to individuals receiving mental health and substance use disorder treatment in the Pathways to Recovery Program, through June 30, 2020 (\$1,853,520).**

Approval of the recommended actions would allow six- to twelve-month contract term extensions and increase maximum compensation amounts to enable the various contractors the ability to continue providing necessary mental health and substance use disorder services to clients while the competitive bid processes are finalized. All agreements are in the final contract year and will expire on June 30, 2019. Should new contractors be selected out of the competitive bidding process, the recommended actions would provide a short-term transition period to allow time for potential new contractors to acquire necessary resources to successfully continue providing contracted services with minimum impact to clients.

ALTERNATIVE ACTION(S):

There is no viable alternative action. Should your Board not approve the recommended actions, existing behavioral health services will lapse and clients would not receive necessary behavioral health services and supports. Incumbent contractors selected through the competitive bidding process would not be able to provide continuous services to existing clients, nor would they be able to serve new clients awaiting treatment due to a lapse in funding and the inability to contractually serve clients. Additionally, new contractors that may be selected through the competitive bidding process would require a ramp-up period to acquire necessary resources and work with the incumbent contractor to smoothly transition client cases without service interruption. Should the recommended actions not be approved, clients with serious mental illnesses and/or substance use disorders may face potential reduction or lapse in services, further exacerbating their behavioral health concerns.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The increases to the individual maximum compensation amounts as shown in Attachment 1 (for a combined total of \$4,286,902 will be fully funded by their existing funding sources including, but not limited to: Medi-Cal Federal Financial Participation, Mental Health Realignment funds, and Mental Health Services Act funds (Community Services and Supports). Sufficient appropriations and estimated revenues will be included in the Department's Org 5630 FY 2019-20 Requested Budget.

DISCUSSION:

The Department of Behavioral Health is in the competitive bidding process for the five recommended amendments, which are at different phases of the Request for Proposal (RFP) process. Some agreements are in the process of major program re-design and; therefore, recommend a longer extension period; whereas, others do not and would utilize the recommended extensions to complete the RFP process and ramp-up prospective new agreements.

Attachment 2 provides information regarding all five recommended actions including: contractor name, services provided, RFP number, Board agreement number, requested term extension, requested funding increase for FY 2019-20, and new maximum compensation amount. The Department requests approval of the recommended actions to prevent negative impacts to clients receiving necessary behavioral health services as a result of lapses in service and decreased resources.

Approval of the recommended actions would allow for six- and twelve-month extensions beyond the current expiration date of June 30, 2019 for each contract. The extensions would provide sufficient time to complete the competitive bidding processes, conduct contract negotiations, present new contracts to your Board for consideration and approval, and facilitate transition of services from the incumbent contractors to new contractors, if applicable.

Additionally, approval of proposed Amendment II with Mental Health Systems for Co-Occurring Disorders Program Full-Service Partnership (Agreement No. A-14-276-1) provides updates to the Modification clause of the Agreement. Currently, Agreement No. A-14-276-1 authorizes the Director of Behavioral Health, or designee, to approve modifications to line items in Mental Health Systems contract budget in an amount not to exceed 10% of the maximum compensation payable by County and to approve changes in the volume of units of services and types of service units to be provided by Mental Health Systems under the Agreement, without bringing the contract amendment to the Board of Supervisors. This Amendment II, if approved, would authorize the Director of Behavioral Health, or designee, to approve modifications to expense category subtotals in an amount not to exceed 10% of the maximum compensation payable by County, instead of to line items, without bringing the contract amendment to the Board of Supervisors. Additionally, this Amendment II would authorize the Director of Behavioral Health, or designee, to approve changes to the

expense category subtotals in any amount between 11% and 100% of the maximum compensation payable by County, with the review and approval of County Counsel and the Auditor-Controller/Treasurer-Tax Collector, without bringing the contract amendment to the Board of Supervisors.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was informed of the recommended amendments at its May 15, 2019 Board Meeting.

REFERENCE MATERIAL:

BAI #46, December 14, 2010 - Master Agreement No. 10-674
BAI #43, December 16, 2014 - Master Agreement No. 10-674-1
BAI #34, June 7, 2016 - Master Agreement No. 10-674-2
BAI #42, July 11, 2017 - Master Agreement No. 10-674-3
BAI #55, May 20, 2014 - Agreement No. 14-275
BAI #56, May 20, 2014 - Agreement No. 14-276
BAI #45, September 22, 2015 - Agreement No. 14-276-1
BAI #42, March 25, 2014 - Agreement. No. 14-101
BAI #42, October 28, 2014 - Agreement No. 14-101-1
BAI #43, June 20, 2017 - Agreement No. 14-101-2
BAI #42, June 03, 2014 - Agreement No. 14-292
BAI #43, June 20, 2017 - Agreement No. 14-292-1

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment IV to 10-674 with Dr. Shaeffer, Inc.
On file with Clerk - Amendment I to 14-275 with MHPRAP
On file with Clerk - Amendment II to 14-276 with MHS
On file with Clerk - Amendment III to 14-101 with Dr. Guzzetta
On file with Clerk - Amendment II to 14-292 with FDC
On file with Clerk - Attachment 1
On file with Clerk - Attachment 2

CAO ANALYST:

Ronald Alexander