



# Board Agenda Item 26

DATE: August 20, 2019

TO: Board of Supervisors

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

SUBJECT: Master Agreement for Specialized Residential Mental Health Services

RECOMMENDED ACTION(S):

1. **Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as only one licensed facility will provide specialized residential mental health services and agree to the terms and conditions of the agreement.**
2. **Approve and authorize the Chairman to execute a Master Agreement for Specialized Residential Mental Health Services for seriously emotionally disturbed youth and adults with severe mental illness, effective upon execution, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$27,500,000.**
3. **Authorize the Director of the Department of Behavioral Health, or designee, to add and/or delete providers to the recommended Master Agreement.**

Approval of the first recommended action will allow for the provision of specialized residential mental health services for seriously and emotionally disturbed youth and adults with severe mental illness. Approval of the second recommended action will allow the Director of the Department of Behavioral Health or designee the authority to add/remove providers to the recommended Master Agreement as necessary to meet time sensitive and special needs of target populations.

ALTERNATIVE ACTION(S):

There are no viable alternative action. Non-approval of the first recommended action would result in youth and adults suffering from severe mental illness not being placed within the appropriate residential settings to receive adequate specialized mental health services. Non-approval of the second recommended action would require the Department to return to the Board each time there is a change in service need requiring the addition and/or deletion of a provider.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department of Behavioral Health (DBH) recommends your Board waive the competitive bidding process consistent with Administrative Policy No. 34 due to unusual or extraordinary circumstances. DBH has seen a growing number of referrals for individuals in need of placement in specialized residential mental health facilities for individuals with severe and complex needs such as eating disorders. In order to identify a facility qualified and capable of meeting the specific clinical needs of the individuals being referred, DBH reached out to several facilities throughout the State and received one response from a facility willing to sign

the recommended Master Agreement. With approval of the recommended Master Agreement, additional residential facilities will be added with the Directors' approval. The internal Services Department - Purchasing concurs with DBH's request to waive the competitive bidding process.

#### FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum cost of the recommended Agreement (\$27,500,000), will be funded with Short/Doyle Medi-Cal Federal Financial Participation (Medi-Cal FFP) and Mental Health Realignment funds. Actual cost will be determined by actual services provided. Sufficient appropriations and estimated revenues are included in the Behavioral Health Org 5630 FY 2019-20 Recommended Budget and will be included in future budget requests for the duration of the Agreement. A breakdown of the annual maximum compensation is as follows:

FY 2019-20:	\$4,500,000
FY 2020-21:	\$5,000,000
FY 2021-22:	\$5,500,000
FY 2022-23:	\$6,000,000
<u>FY 2023-24:</u>	<u>\$6,500,000</u>
<b>Total:</b>	<b>\$27,500,000</b>

#### DISCUSSION:

The Department of Behavioral Health (DBH) is seeking approval of the recommended Master Agreement for a payment mechanism for the provision of specialized mental health services, including the provision of care for individuals suffering from severe and complex needs. The number of individuals requiring specialized mental health services for such conditions is increasing while options for placement remain limited. Some individuals who do not receive the appropriate level of care can develop life threatening circumstances, such as for persons with severe impairments from an eating disorder.

DBH has reached out to several facilities that deliver specialized residential mental health services to secure placement for at least four individuals within the past several months. Most facilities that treat severe and complex conditions such as eating disorders are reluctant to contract with counties because such facilities prefer to treat individuals that are capable of financing their own care (private pay). However, there are facilities throughout the State that are willing to serve Fresno County Medi-Cal beneficiaries as long as they are not held to the rules and regulations of the Medi-Cal program. The recommended Master Agreement includes provisions that will ensure that facilities that are not willing to participate in the Medi-Cal program will be willing to enter into the recommended Master Agreement. The recommended Master Agreement also identifies the rules and regulations of the Medi-Cal program so those facilities that are willing to participate in the Medi-Cal program will be held to the rules and regulations upon entering into the recommended Master Agreement. DBH is seeking approval of the recommended Master Agreement with such provisions to maintain a sufficient network of specialized residential mental health service facilities to meet the growing demands for such services for Fresno County residents.

If the recommended Master Agreement is approved, it will provide a mechanism to ensure individuals can be placed within facilities that deliver specialized residential mental health services as timely as possible while also providing a mechanism for expeditious payment of such services. The recommended Master Agreement also includes provisions to ensure that DBH will appropriately monitor the quality of the care provided to all Fresno County residents that will be placed within such facilities. If approved, the recommended Master Agreement will become effective upon execution and may be terminated by the County, DBH Director, or designee, 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 July 17, 2019 meeting.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request  
On file with Clerk - Master Agreement

CAO ANALYST:

Ron Alexander