



Board Agenda Item 37

DATE: June 10, 2025

TO: Board of Supervisors

SUBMITTED BY: Susan Holt, Director, Department of Behavioral Health

SUBJECT: Master Agreement for Transitional Social Rehabilitation Program

RECOMMENDED ACTION(S):

- 1. Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34), determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances, and that the best interests of the County would be served by entering into the Master Agreement given the non-competitive nature of Master Agreements; and**
- 2. Approve and authorize the Chairman to execute a Master Agreement with licensed adult residential facilities for Transitional Social Rehabilitation Program services, effective July 1, 2025, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$15,000,000.**

There is no additional Net County Cost associated with the recommended actions, which will allow the Department to contract with licensed adult residential facilities for the provision of Transitional Social Rehabilitation Program (TSRP) services. Facilities will provide services that are described to minimize the risk of persons served hospitalization and aid with the development of independent living skills with the goal of movement towards a less structured setting. This item is countywide.

ALTERNATIVE ACTION(S):

Should the recommended actions not be approved, the Department would be unable to place persons at licensed facilities certified to provide transitional social rehabilitation services, requiring the Department to place persistent and severely mentally ill adult persons at inappropriate levels of care. This could include higher levels of care, such as Skilled Nursing Facilities (SNF), Geropsychiatric Nursing Care Facilities (GNCF), Institutions of Mental Disease (IMD), and Mental Health Rehabilitation Centers (MHRC); all of which are secured facilities. The other alternative would be placement in a lower level of care facility such as Specialized Supplemental Board and Care Homes; however, persons served may not be ready for such a reduction in care and/or Specialized Supplemental Board and Care Homes may not have the capacity or licensing exemptions to accept persons served requiring a higher level of care.

SUSPENSION OF COMPETITION CONTRACT:

It is requested that the County find under AP 34 that an exception to the competitive bidding requirement is satisfied, and a suspension of competition is warranted due to unusual or extraordinary circumstances due to the non-competitive nature of master agreements as well as the specific utilization of this agreement for transitional social rehabilitation program services for Fresno County conserved persons served. The General Services Department - Purchasing concurs with the Department's assessment that this satisfies

the exception to the competitive bidding process required by AP 34.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation for the term would be \$15,000,000 (\$3,000,000 allocated annually) and will be funded with Mental Health Realignment and Medi-Cal Federal Financial Participation (FFP). Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2025-2026 Recommended Budget and will be included in future budget requests. Actual costs will be determined by actual services provided.

DISCUSSION:

On May 26, 2020, the Board approved Master Agreement No. A-20-189 with licensed adult residential facilities that are certified to provide Transitional Social Rehabilitation Program services. This agreement allowed facilities to provide enhanced services to assist persons served with the development of independent living skills with the goal of movement towards a less structured environment.

On June 20, 2023, the Board approved Master Agreement No. A-23-286 with licensed adult residential facilities certified to provide Transitional Social Rehabilitation Program services. This master agreement provided transitional residential mental health services and made necessary changes required by the implementation of California Advancing and Innovating Medi-Cal (CalAIM), including a new billing structure for Medi-Cal services.

Transitional Social Rehabilitation Programs serve as a transition for persons served that are being discharged from a locked facility, who require placement in a less structured setting designed to promote independent living skills. It is a program of services provided to persons who may be expected to move towards a more independent living situation.

Utilization Data

| <u>Fiscal Year</u> | <u>Persons Served</u> | <u>Service Days</u> | <u>Expenditures</u> |
|--------------------|-----------------------|---------------------|---------------------|
| 2017-2018 | 35 | 3979 | \$814,576 |
| 2018-2019 | 36 | 5042 | \$1,063,374 |
| 2019-2020 | 32 | 4756 | \$1,011,344 |
| 2020-2021 | 35 | 4388 | \$890,764 |
| 2021-2022 | 39 | 4274 | \$896,260 |
| 2022-2023 | 35 | 4997 | \$1,097,345 |
| 2023-2024 | 39 | 4790 | \$1,216,366 |

Utilization data for this program indicates an average of 2.29% growth in number of persons served, an average of 3.91% growth in days of service, and an average growth of 7.94% in expenditures across all fiscal years. The maximum compensation for each fiscal year for this agreement was estimated based on the expectation of 100% utilization of the 15 beds provided in the Fresno facility and 7 (~50%) beds of the Bakersfield facility with a 5% year-over-year increase. The total proposed maximum compensation additional accounts for the potential need for the additional of additional provider(s) on this master agreement.

Approval of the first recommended action will suspend the competitive bidding process consistent with Administrative Policy No. 34, for delivery of TSRP services with licensed residential facilities. Approval of the second recommended action will authorize the Master Agreement with licensed residential facilities for the provision of TSRP services, for a five-year term, total not to exceed \$15,000,000.

The modification and rate modification clauses of the agreement delegate the board's authority to the DBH

Director to make certain changes to the agreement during the term of the agreement, as further described in the Article 15, Sections 1 and 2 of the agreement.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended Agreement during the May 2025 meeting.

REFERENCE MATERIAL:

BAI # 53 - June 20, 2023

BAI # 38 - May 26, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

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

CAO ANALYST:

Ronald Alexander Jr.