



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** December 1, 2016  
**Board Meeting Date:** January 24, 2017  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Stephen Kaplan, Director, Behavioral Health and Recovery Services

**Subject:** Amendment to the Agreement with Sitike for Substance Use Disorder Treatment Services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Sitike for substance use disorder treatment services under the Drug Medi-Cal Organized Delivery System, decreasing the amount by \$3,751, to an amount not to exceed \$1,747,127, and extending the term of the agreement through June 30, 2018.

**BACKGROUND:**

On August 13, 2015, the California Department of Health Care Services (DHCS) announced the approval of its waiver application to the US Center for Medicare and Medicaid Services to implement the Drug Medi-Cal Organized Delivery System (DMC-ODS). The federal waiver allows any California county to "opt in" to provide a full continuum of services currently unavailable to Medi-Cal clients. Additionally, the waiver will allow for Federal Financial Participation to offset treatment related costs. San Mateo County – specifically, Behavioral Health and Recovery Services (BHRS) - was the first California county to be approved for the waiver.

On May 24, 2016, your Board approved an agreement with Sitike for substance use disorder treatment services, for the term July 1, 2016 through June 30, 2017, in an amount not to exceed \$1,750,878.

**DISCUSSION:**

Through the DMC-ODS waiver, Sitike will provide expanded substance use disorder treatment services for men and women. Specifically, the contractor will provide a full continuum of services, including individual counseling, combined psycho-educational groups on addiction and health issues, and additional services that were not available prior to the waiver. With the DMC-ODS waiver in place, this agreement with the

contractor ensures continuous quality improvement in treatment through the development of a quality management program that measures and analyzes both client and system outcomes.

Due to the newly approved DMC-ODS waiver, BHRS is requesting that your Board waive the Request for Proposals (RFP) process for substance use disorder treatment services for two years, allowing BHRS time to implement the waiver-related changes, to this and all other BHRS substance use related contracts. BHRS will release the RFP for substance use disorder treatment services to start on July 1, 2019.

The amendment and resolution have been reviewed and approved by County Counsel as to form.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing individuals and families with prevention and treatment services to support recovery, which in turn contributes to the health and safety of communities throughout the County. A successful treatment discharge occurs when a program participant completes his/her treatment/recovery plan or when a participant is transferred to the next appropriate level of care. It is anticipated that 47% of clients will achieve a successful treatment discharge.

**PERFORMANCE MEASURE(S):**

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Program participants with a successful treatment discharge	47% 44 clients	47% 44 clients

**FISCAL IMPACT:**

The term of the amended agreement is July 1, 2016 through June 30, 2018. The amount of the amended agreement is not to exceed \$1,747,127. The amendment decreases the contract maximum by \$3,751. The original agreement included shared aggregate amounts among the contracted substance use treatment providers for services funded by AB 109, as well as 2011 Realignment and Unified Reentry. However, beginning in February 2017, services provided under the DMC-ODS waiver will no longer include these shared aggregate funding amounts.

The reduced amount of \$3,751 is comprised of the following: decreased funding from 2011 Realignment (\$141,720), AB 109 (\$115,129), and Net County Cost for Unified Reentry (\$209,313); and increased funding from Federal Financial Participation – Medi-Cal (\$304,265), Substance Abuse Prevention and Treatment Federal Block Grant (\$103,885), CalWorks (\$40,279), and MHSA (\$13,982).