



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: December 13, 2016
Board Meeting Date: February 28, 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 healthRIGHT 360 for Substance Use Disorder Treatment Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with healthRIGHT 360 for substance use disorder treatment services under the Drug Medi-Cal Organized Delivery System, increasing the amount by \$4,675,948 to an amount not to exceed \$10,104,867, 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 June 21, 2016, your Board approved an agreement with healthRIGHT 360 (HR360) for substance use disorder treatment services, medication assisted treatment services, outpatient mental health services, and outreach and engagement services, for the term July 1, 2016 through June 30, 2017, in an amount not to exceed \$5,428,919.

On September 8, 2016, the Chief of the Health System approved an amendment to the agreement to include marijuana education and bridge funding through September 30, 2016, with no change to the maximum amount or term of the agreement.

On October 28, 2016, the Chief of the Health System approved an amendment to the agreement to extend bridge funding through December 31, 2016, with no change to the maximum amount or term of the agreement.

DISCUSSION:

Through the DMC-ODS waiver, HR360 will provide expanded substance use disorder treatment services to adults, youths, and families. Specifically, the contractor will provide a full continuum of services, including outpatient, residential treatment and medication assisted treatment, and case management 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 58% of clients will achieve a successful treatment discharge.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Actual	FY 2017-18 Projected
Program participants with a successful treatment discharge	58% 216 clients	58% 216 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 \$10,104,867. The amendment increases the contract amount by \$4,675,948. 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 March 2017, services provided under the DMC-ODS waiver will no longer include these shared aggregate funding amounts.

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With respect to the increased contract amount, funding for the two-year term will be decreased from 2011 Realignment (\$59,867), AB 109 (\$110,682) and Mental Health Service Act (\$86,049). Funding will be added from Federal Financial Participation – Medi-Cal (\$2,514,979), Substance Abuse Prevention and Treatment Federal Block Grant (\$819,550), CalWorks (\$8,235), Measure A (\$203,953), Whole Person Care grant funds (\$974,694), Medicare (\$63,000), Healthy Kids (\$27,000), and Net County Cost (\$321,135).