



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH SERVICES ADMIN

File #: 16-420

Board Meeting Date: 7/25/2017

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

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

Subject: Amendment to the Agreement with Free at Last for Substance Use Disorder Treatment Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Free at Last for substance use disorder treatment services under the Drug Medi-Cal Organized Delivery System, increasing the amount by \$1,715,945 to an amount not to exceed \$3,674,718, 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 waiver allows any California county to "opt in" to provide for 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 7, 2016, your Board approved an agreement with Free at Last (FAL) for substance use disorder treatment services, for the term July 1, 2016 through June 30, 2017, in an amount not to exceed \$1,958,773.

On August 31, 2016, the Chief of the Health System approved a first amendment to the agreement to include bridge funding, with no change to the maximum amount or term of the agreement.

On October 25, 2016, the Chief of the Health System approved a second amendment to the agreement to extend bridge funding, with no change to the maximum amount or term of the agreement.

DISCUSSION:

Through the DMC-ODS waiver, FAL will provide expanded substance use disorder treatment services for children, families, adults and older adults. This full continuum of services, through outpatient and residential treatment programs, will include a recovery based support system; address legal and medical issues; teach basic life skills such as communication, anger management, and conflict resolution; re-unify families and build parenting skills; help clients enter into job training and/or employment; and establish stable housing 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. The amendment is late due to prolonged contract negotiations with the provider and is on the Continuing Resolution.

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 70% of clients will achieve a successful treatment discharge.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Program participants with a successful treatment discharge	70%	70%
	49 clients	49 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 \$3,674,718; the amendment increases the contract amount by \$1,715,945. 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 July 2017, services provided under the DMC-ODS waiver will no longer include these shared aggregate funding amounts.

Of the increased amount, Federal Financial Participation - MediCal will fund \$884,731, Substance Abuse Prevention and Treatment Federal Block Grant will fund \$220,996, State DMC-ODS Allocation will fund \$402,255, and Mental Health Services Act will fund \$31,404. The remainder (\$176,559) will be funded by Net County Cost.