



# County of San Mateo

## Inter-Departmental Correspondence

Department: HEALTH

File #: 16-685

Board Meeting Date: 10/31/2017

**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
David Young, Director, Behavioral Health and Recovery Services

**Subject:** **Measure K:** Amendments to the Agreements with StarVista for Substance Use Disorder Treatment Services and Mental Health Services

### **RECOMMENDATION:**

**Measure K:** Adopt a resolution authorizing amendments to the agreements with StarVista for the purpose of: (1) Merging with Pyramid, making StarVista the surviving entity; (2) Expanding alcohol and other drug substance use disorder treatment services under the Drug Medi-Cal Organized Delivery System, increasing the amount by \$1,656,298 to \$4,096,356, and extending the term of the agreement through June 30, 2018; and (3) Mental Health services, Seeking Safety services, and increasing managed care services, increasing the amount by \$3,117,105 to \$5,984,096, and extending the term of the agreement through June 30, 2018.

### **BACKGROUND:**

On March 17, 2015, your Board adopted an allocation plan for **Measure A** funding for FY 2015-16 and FY 2016-17. StarVista was allocated **Measure A** funds to expand the Early Childhood Community Team model. Despite **Measure A** funds being allocated in FY 2015-16, StarVista's existing contract at the time was not updated.

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 May 24, 2016, your Board approved an agreement with Pyramid Alternatives, Inc. (Pyramid) for substance use disorder treatment services, managed care services, and Seeking Safety services, for the term July 1, 2016 through June 30, 2017, in an amount not to exceed \$1,812,650. On July 3,

2017, Pyramid Alternatives, Inc. merged with StarVista, shifting all responsibilities, obligations and duties to StarVista. Through this merger, StarVista will assume responsibility for activities formerly provided by Pyramid, including: additional substance use disorder treatment services, managed care services, and Seeking Safety services.

On October 18, 2016, your Board approved an agreement with StarVista for substance use disorder treatment services, for the term July 1, 2016 through June 30, 2017, in an amount not to exceed \$2,440,058.

On December 13, 2016, your Board approved an agreement with StarVista for mental health services for the term July 1, 2016 through June 30, 2017 and Family Health community worker services for the term July 1, 2016 through December 31, 2016, in an amount not to exceed \$2,216,832.

On June 6, 2017, your Board approved an amendment to the agreement, allocating **Measure K** funds, to expand the Early Childhood Community Team model, increasing the amount by \$660,000 to \$2,876,832, with no change to the term of the agreement.

### **DISCUSSION:**

Through the DMC-ODS waiver, StarVista will provide expanded services for children, youth families, adults and older adults. This full continuum of services that were not available prior to the waiver, including intensive day substance abuse treatment to adult women with co-occurring substance abuse and mental health disorders, outpatient substance use treatment and recovery services to formerly incarcerated clients and a quality management program that measures and analyzes both client and system outcomes.

Through the merger with Pyramid, StarVista will assume responsibility for additional managed care services to Medi-Cal eligible individuals, including services based on the Seeking Safety model. Specifically, StarVista will provide a present-focused therapy for at-risk youth ages 18 to 25 to attain safety from trauma / Post Traumatic Stress Disorder (PTSD) and substance abuse.

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. This amendment is late due to prolonged contract negotiations with the provider and is on the Continuing Resolution.

Approval of these amendments contribute to the Shared Vision 2025 outcome of a Healthy Community by providing individuals and families outpatient mental health services, and prevention and treatment services, which in turn contributes to the health and safety of communities throughout the County. It is anticipated that 99% of clients will be maintained at a current or lower level of care.

**PERFORMANCE MEASURE:**

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Clients maintained at a current or lower level of care	99% 1,462 clients	99% 1,462 clients

**FISCAL IMPACT:**

The amount of the revised agreements is not to exceed \$10,080,452 in aggregate with each agreement having its own not to exceed amount.

The term of the StarVista agreement for alcohol and other drug services is July 1, 2016 through June 30, 2018, for an amount not to exceed \$4,096,356. This amendment increases the contract amount by \$1,656,298 which is included in the BHRS FY 2017-18 Adopted Budget. Of the increase, Federal Financial Participation - MediCal will fund \$400,505, State DMC-ODS Allocation will fund \$333,894, Substance Abuse Prevention and Treatment Federal Block Grant will fund \$347,102, the Whole Person Care Grant will fund \$121,858, 2011 Realignment will fund \$12,312, the Mental Health Services Act will fund \$37,184, AB 109 will fund \$7,282, CalWorks will fund \$1,854. The Net County Cost is \$394,307.

The term of the StarVista agreement for mental health services is July 1, 2016 through June 30, 2018, in an amount not to exceed \$5,984,096. This amendment increases the contract amount by \$3,117,105, which is included in the BHRS 2017-18 Adopted Budget. Of this increase, Federal Financial Participation will fund \$233,514, 2011 Realignment will fund \$214,565, the Mental Health Services Act will fund \$1,775,434, Healthy Kids will fund \$28,788, Health Worx will fund \$8,000, Insurance will fund \$4,714, Medicare will fund \$84,000, **Measure K** will fund \$703,800. The Net County Cost is \$64,290