



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 21-919

Board Meeting Date: 11/16/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Scott Gilman, Director, Behavioral Health and Recovery Services

Subject: Agreement with Horizon Services, Inc. for Residential Substance Use Disorder Detoxification Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Horizon Services, Inc. for residential substance use disorder detoxification services for the term of July 1, 2021 through June 30, 2022, in an amount not to exceed \$1,160,431.

BACKGROUND:

For over 35 years, Palm Avenue Detox, a program of Horizon Services, Inc. (Horizon), has been serving residents of San Mateo County. Horizon assists clients in connecting to ongoing substance use disorder treatment programs, primary and psychiatric care, housing, and other health-related services.

In April 2016, the California Department of Health Care Services (DHCS) and the Federal Government approved the Drug Medi-Cal Organized Delivery System (DMC-ODS) waiver for substance use disorder treatment services. On July 1, 2019, Horizon began providing services under the DMC-ODS waiver, allowing Horizon and other providers to bill for many more services than they were previously able.

On March 17, 2021, the DHCS issued an Immediate Temporary Suspension Order on Palm Avenue's license to operate for violations of the Health and Safety Code and applicable regulations and rules. Class A deficiencies were found to "present an imminent danger" to client safety. On June 3, 2021, DHCS and Horizon services executed a Stipulated Settlement Agreement to resolve all the issues pertaining to the Order. In this agreement, Palm Avenue agreed to remain closed through August 14, 2021 and may reopen thereafter under a probationary status for three years. BHRS has further stipulated that Horizon shall obtain Incidental Medical Services certification enhancing services through the addition of on-site medical staff for improved client monitoring during withdrawal and detoxification process.

DISCUSSION:

Through the DMC-ODS waiver, Horizon shall provide expanded detoxification, stabilization, and assessment for clients who have a co-occurring substance use and mental health disorders, by providing extended assessment and linkages to medication assisted treatment and other identified substance use services to support recovery.

DHCS continues to require changes in service delivery and reporting requirements of substance use disorder treatment services through the DMC-ODS waiver. Due to these changes, BHRS is requesting your Board to waive the Request for Proposals (RFP) process for substance use disorder treatment services for one year, allowing BHRS time to finalize the implementation of DMC-ODS waiver-related changes to this and all other BHRS substance use related contracts. In late 2021, BHRS will release an RFP for substance use disorder treatment services to start on July 1, 2022.

The resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and resolution have been reviewed and approved by County Counsel as to form. This agreement has been delayed due to prolonged contract negotiations and is on the Continuing Resolution.

Successful discharge occurs when a program participant completes detoxification services and is in transition to the next appropriate level of care. Research shows that the longer participants are retained in an appropriate level of treatment, the more likely they are to achieve long-term recovery. A participant's willingness to continue in treatment is a key element to successful stabilization and progress towards sustained recovery. It is anticipated that 90% of program participants will achieve a successful detoxification discharge.

PERFORMANCE MEASURE:

Measure	FY 2020-21 Actual	FY 2021-22 Estimated
Percentage of program participants that achieve a successful detoxification discharge	87% 298 of 342 participants	90% 135 of 150 participants*

* The reduction is due to the temporary closure of Palm Avenue Detox; due to reopen and begin providing services by March 2022.

FISCAL IMPACT:

The term of the agreement is July 1, 2021 through June 30, 2022. The amount of the agreement is not to exceed \$1,160,431 for the one-year term and is included in the BHRS FY 2021-22 Adopted Budget. Medi-Cal will fund \$207,368, the Substance Abuse Prevention and Treatment Block Grant will fund \$172,807, and 2011 Realignment will fund \$311,052. The Net County Cost is \$469,204.