



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 22-999

Board Meeting Date: 12/13/2022

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

**To:** Honorable Board of Supervisors

**From:** Louise F. Rogers, Chief, San Mateo County Health  
Lisa Mancini, Interim 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 amendment to the agreement with Horizon Services, Inc. for residential substance use disorder detoxification services, increasing the amount by \$488,473 to an amount not to exceed \$2,927,278 with no change to the agreement term.

### **BACKGROUND:**

For over 35 years, Palm Avenue Detox (Palm Avenue), 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.

In early 2021, DHCS investigated a client death that occurred at Palm Avenue in September 2020 and found widespread documentation fraud and practices that were putting clients' safety at risk. On March 17, 2021, 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 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 could reopen thereafter under a probationary status for three years. Behavioral Health and Recovery Services (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 the withdrawal and detoxification process.

In November 2021, this Board approved an agreement with Horizon for residential substance use disorder detoxification services, in the amount of \$1,160,431, for the term of July 1, 2021, through June 30, 2022.

In July 2022, this Board delegated to the Chief of San Mateo County Health or designee authority to amend the agreement to approve a Cost-of-Living Adjustment to the agreement, increasing the amount payable by \$1,278,374, for a total amount not to exceed \$2,438,805, and extending the term by one year through June 30, 2023.

**DISCUSSION:**

Through the DMC-ODS waiver, Horizon has provided detoxification, stabilization, and assessment for clients who have 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.

During the closure of Palm Avenue described above, Horizon completed an extensive re-organization, and hired all new staff, from line staff to their Executive Director and Medical Director. Horizon created new standard operating procedures, implemented new training requirements, increased staffing levels to ensure client safety, and is preparing to become Incidental Medical Services certified within Drug Medi-Cal, so that it can provide a higher quality of services to clients.

BHRS is requesting to amend its current agreement with Horizon to increase the maximum amount payable by \$488,473, to an amount not to exceed \$2,927,278. The increase is to accommodate the changes Horizon has taken to address and improve clients' safety, including start-up and renovation costs such as hiring new qualified personnel categories to the program, instituting improved withdrawal management tools, implementing additional trainings, incorporating professional services for monitoring clients, and renovating bathrooms to meet ADA standards.

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 amendment and resolution have been reviewed and approved by the County Attorney as to form.

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 2021-22 Actual	FY 2022-23 Estimated
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Percentage of program participants that achieve a successful detoxification discharge	87% 298 of 342 participants	90% 135 of 150 participants
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**FISCAL IMPACT:**

The term of the agreement is July 1, 2021, through June 30, 2023. This amendment increases the contract amount by \$488,473 to an amount not to exceed \$2,927,278 for the two-year term. Funds in the amount of \$2,649,462 are included in the BHRS FY 2022-23 Adopted Budget. The amendment of \$488,473 includes an increase in FY 2022-23 of \$693,937, which is partially offset by a FY 2021-22 reduction of \$205,464. The amendment is funded by \$246,073 in Opioid Settlement funds (35% of total), \$47,250 in 2011 Realignment (7%, specifically for minor remodeling), and \$277,816 in Net County Cost (40%). The remaining \$122,798 (18%) is funded by a third each of Federal Financial Participation, 2011 Realignment, and SABG funding respectively.