



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: ADMHS
Department No.: 043
For Agenda Of: 7-1-14
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Interim Director
Director(s) Alcohol, Drug and Mental Health Services, 681-5220
Contact Info: Michael Evans, CFO/Assistant Director of Finance, 681-5220
SUBJECT: ADMHS FY 14-15 Contracts – Children’s Mental Health CBOs

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- 1) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Casa Pacifica** (a local vendor), for the provision of children’s mental health services, for a total contract amount not to exceed **\$3,839,081** through June 30, 2015.
- 2) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Community Action Commission** (a local vendor), for the provision of children’s mental health services, for a total contract amount not to exceed **\$1,452,242** through June 30, 2015.
- 3) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Family Care Network, Inc.** (a local vendor), for Intensive Therapeutic Foster Care services, for a total contract amount not to exceed **\$624,322** through June 30, 2017, inclusive of \$204,000 for FY 14-15, \$208,080 for FY 15-16, and \$212,242 for FY 16-17.
- 4) Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA guidelines.

Summary Text:

The Alcohol, Drug and Mental Health Services (ADMHS) Department provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, in part through contracted providers including Community-Based Organizations (CBOs). Approval of the recommended actions will allow ADMHS to continue to provide mandated mental health, substance use, and ancillary services. These contracts for children's mental health services are being included as part of one board letter to allow the Board of Supervisors and the public to get a complete picture of all of the major (over \$100,000) ADMHS CBOs providing children's mental health services.

Background:

ADMHS provides specialty mental health services to Medi-Cal beneficiaries, and other individuals to the extent resources allow, in part through contracted services. Approval of the recommended actions will provide for various specialty mental health services to children and youth with serious emotional disturbances (SED) and their families, including mental health services such as therapy and rehabilitation services.

Contractor	Summary
Casa Pacifica	Casa Pacifica provides mental health services primarily to Medi-Cal eligible children with SED Countywide. Casa Pacifica provides outpatient mental health services for children at Casa Pacifica's shelter and residential programs, as needed, for clients placed by County Probation or Department of Social Services. The Wraparound Program serves an average capacity of 25 clients who are at-risk of being moved out of the community into institutional care in addition to helping kids return to the community. Casa Pacifica is also the County's provider of Therapeutic Behavioral Services (TBS), which is a mandated Medi-Cal service designed to serve an average capacity of 60 children with SED and/or those with intensive service needs to avoid placement in a higher level of care such as a residential treatment facility or to help children make a successful move to a lower level of care such as returning home after residential treatment. Casa Pacifica's SAFTY program is a mobile crisis response program for children, youth, and their families throughout Santa Barbara County, and is anticipated to serve 555 clients in FY 14-15.
Community Action Commission (CAC)	CAC provides mental health services to Medi-Cal eligible children with SED Countywide. CAC provides Rehabilitation Specialists located at the three regional Children's clinics, to provide highly flexible, intensive and individualized behavioral interventions designed to assist a caseload of up to 126 youth to develop interpersonal and social skills, manage negative behaviors and succeed in their home, school and community. In addition, this contract provides Medi-Cal funding for specialty mental health services for approximately 100 children up to age five through the Head Start programs located in Lompoc, Santa Maria and Santa Barbara.

Family Care Network (FCN)	In July 2002, a class action lawsuit known as Katie A. was filed, in which the plaintiffs alleged violations of federal Medicaid laws, the American with Disabilities Act, Section 504 of the Rehabilitation Act and California Government Code Section 11135. The suit sought to improve the provision of mental health and supportive services for children and youth in, or at imminent risk of placement in, foster care in California. On December 2, 2011, Federal District Court Judge A. Howard Matz issued an order approving a proposed settlement of the case. The settlement agreement seeks to accomplish systemic change for mental health services to children and youth within the class. The California Department of Social Services and Department of Health Care Services will work together with the federal court appointed Special Master, the plaintiffs' counsel, and other stakeholders to develop and implement a plan to accomplish the terms of the settlement agreement. FCN provides Intensive Therapeutic Foster Care (ITFC), a new mental health service created to meet the terms of the Katie A. class action settlement. The contract with FCN will allow the contractor to provide ITFC to a caseload of up to five (5) clients throughout Santa Barbara County.
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Key Contract Risks:

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments. The dollars ADMHS collects from the Centers for Medicare and Medicaid Services (CMS) via the State for specialty mental health services provided to Medi-Cal beneficiaries are subject to a complex and lengthy cost settlement process. ADMHS is required to submit an annual cost report which reports all costs associated with providing mental health services for a given Fiscal Year (actual cost). The actual cost is one component that the State reviews when it performs its "cost settlement" process. In this process, the State settles to the lower of actual cost or Published Charges, which are the fees charged to the general public (as adopted by the contractor's Board of Directors). The cost settlement process results in a preliminary settlement, which typically takes place two years after the close of a Fiscal Year; however, the settlement process is not complete until the State completes the final audit. State audits for Medi-Cal funds for specialty mental health services typically occur five years after the end of the fiscal year being audited. To address these risks and to minimize settlement amounts with contract providers, ADMHS calculates rates for Medi-Cal services provided by organizational providers on a quarterly basis. Regular reports to contractors on unclaimed and denied units allow providers to correct errors and maximize Medi-Cal penetration rates. Even with these measures, there is the risk that the State will disallow units of service or determine costs to be non-allowable, resulting in repayment. ADMHS contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to County.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	Current FY Cost:	Annualized On-going Cost:	Total One-Time Project Cost
General Fund			
State	\$ 2,957,822.50		
Federal	\$ 2,957,822.50		
Fees			
Other:			
Total	\$ 5,915,645.00	\$ -	\$ -

Narrative:

The above referenced contracts are funded by State and Federal funds. The funding sources are included in the FY 2014-15 Adopted Budget. Execution of these contracts will not increase the use of general fund dollars by ADMHS.

Special Instructions:

Please send one (1) complete copy of each executed contract and one (1) minute order to:

Alcohol, Drug and Mental Health Services
 Attn: Contracts
 300 North San Antonio Road, Bldg 3
 Santa Barbara, CA 93110

Attachments:

1. Casa Pacifica Contract
2. Community Action Commission Contract
3. Family Care Network Contract