



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: 2/4/14
Placement: Administrative
Estimated Tme:
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
Contact Info: Michael C. Evans, CFO/Assistant Director, Finance 805-681-4517

SUBJECT: ADMHS FY 13-14 Amendments to FY 13-14 CALM, FSA, and SMVYF Mental Health Services Contracts.

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 a Third Amendment to the Agreement for Services of Independent Contractor with Child Abuse Listening & Mediation, Inc. (a local vendor) to increase the amount of the Agreement by \$422,000, for a total contract amount not to exceed \$2,444,488, for the continued and additional provision of mental health services for foster children through June 30, 2014, and to delete the provision of Child Services Screeners services from the Scope of Work for the HOPE program (Attachment A);
2. Approve and authorize the Chair to execute a Second Amendment to the Agreement for Services of Independent Contractor with Family Service Agency (a local vendor) to increase the amount of the Agreement by \$56,277, for a total contract amount not to exceed \$880,188, for the continued and additional provision of mental health services for children and adults through June 30, 2014 (Attachment B);
3. Approve and authorize the Chair to execute a Second Amendment to the Agreement for Services of Independent Contractor with Santa Maria Valley Youth & Family Center (a local vendor) to delete the provision of Child Services Screeners services from the Scope of Work for the HOPE program and replace with the additional provision of mental health services for foster children (Attachment C); and

4. Determine that the approval of each of these amendments to the Agreements is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), finding that the activities are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activities in question may have a significant effect on the environment, the activities are not subject to CEQA.

Summary Text:

The Alcohol, Drug and Mental Health Services (ADMHS) Department provides specialty mental health services and substance abuse services to Medi-Cal beneficiaries, and other individuals to the extent resources allow, in part through contracted services. The above listed contract amendments will ensure continued provision of mental health services during FY 13-14.

Background: 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. As Santa Barbara County begins to implement the provisions of the settlement agreement, ADMHS has seen a large influx of children into the system.

Approval of the recommended actions will assist ADMHS in meeting increased needs for treatment of children and youth with serious emotional disturbances (SED) and their families, especially children in the foster care system, including mental health services such as therapy and rehabilitation services, as a result of the *Katie A.* settlement:

1. **Child Abuse Listening and Mediation (CALM)** provides mental health services to children and families countywide. CALM's Therapeutic Foster Care program (HOPE) provides Intensive In-Home services to children in foster care. Since July 1, CALM's HOPE program has seen a large increase in referrals, requiring expansion of the contract. Approval of the recommended action will increase the number of slots in the HOPE program from 30 slots to 70 slots. In addition, the *Katie A.* settlement agreement requires the County Department of Social Services to provide all screenings and the Mental Health Plan (ADMHS) to complete all sub-class eligibility evaluations of children in foster care. Historically, ADMHS has contracted with CALM and Santa Maria Valley Youth and Family to provide mental health screenings. As a result of this direction, CALM will be transferring their existing 1.0 FTE Child Services Screener (CSS) role to a direct mental health service provider, to assist in treating the increased caseload.
2. **Family Service Agency (FSA)** provides mental health services to children with SED and their families in the Lompoc and Santa Barbara areas. FSA provides brief therapy to children and their families in an outpatient setting. The Lompoc community continues to have a shortage of qualified

therapists able to serve Lompoc residents with brief therapy needs. Approval of the recommended action will allow FSA to add additional therapist hours in Lompoc to serve adults and children in need of brief therapy.

3. **Santa Maria Valley Youth and Family (SMVYF)** provides mental health services to children with SED and their families in Santa Maria. Like CALM, historically, ADMHS has contracted with SMVYF to provide mental health screenings. As a result of the State's direction regarding screenings for children in foster care, SMVYF will be transferring their existing 1.0 FTE Child Services Screener (CSS) role to a direct mental health service provider, to treat the expected increase in children in foster care in the Santa Maria area needing intensive mental health services. There is no change in funding for this contract as a result of this change.

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 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.

Performance Measure:

Specific outcome measures are included as Exhibit E of the CADA and CALM contracts.

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	\$ 239,138.50		
Federal	\$ 239,138.50		
Fees			
Other:			
Total	\$ 478,277.00	\$ -	\$ -

Narrative:

The above referenced contract amendments are funded by State and Federal funds. The funding sources are included in the FY 2013-14 Adopted Budget. Execution of these amendments will not increase the use of general fund dollars by the ADMHS Department.

Special Instructions:

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

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

Attachments:

A: CALM Amendment
B: FSA Amendment
C: SMVYF Amendment

Authored by:

D. Spahn