



**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: Behavioral Wellness
Department No.: 043
For Agenda Of: June 4, 2024
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Antonette Navarro, LMFT, Director
Director(s) Department of Behavioral Wellness, (805) 681-5220
Contact Info: Melissa Wilkins, MPH, CADC-II, CCPS, Division Chief Alcohol and Drug Programs, Department of Behavioral Wellness, (805) 681-5220
SUBJECT: California Department of Health Care Services Third Amendment to the FY 21–24 Drug Medi-Cal Organized Delivery System Intergovernmental Agreement (No. 21-10034 A03)

^{DS}
AN

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute a Third Amendment to the California Department of Health Care Services (“DHCS”) Drug Medi-Cal Organized Delivery System (“DMC-ODS”) Intergovernmental Agreement (No. 21-10034 A03) (the “Agreement”), as well as the associated certifications, to increase the Agreement amount by \$85,080,000 for a total maximum amount of \$169,798,000 and extend the term of the Agreement through June 30, 2027, for an amended term of July 1, 2021, through June 30, 2027; and
- b) Determine that the above action is a government fiscal activity or funding mechanism that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

The above-referenced item is on the agenda to request the Board of Supervisors (Board) to approve, ratify, and authorize the Director of Behavioral Wellness (BWell) or designee to execute a Third Amendment

to the California Department of Health Care Services (DHCS) Drug Medi-Cal Organized Delivery System (DMC-ODS) Intergovernmental Agreement (No. 21-10034), as well as the associated certifications required by DHCS, including a California Civil Rights Laws Certification Attachment form and a Contractor Certification Clauses form. The purpose of the Third Amendment is to (a) extend the term of the Agreement until June 30, 2027, and (b) increase the maximum contract amount by \$85,080,000 (\$28,360,000 for Fiscal Year (FY) 2024-25 and \$28,360,000 for FY 2025-26 and \$28,360,000 for FY 2026-27) for a total maximum contract amount of \$169,798,000 for the period of July 1, 2021 to June 30, 2027, and (c) add an updated Exhibit B, Attachment I (Funding Amounts).

Background:

DHCS allocates state and federal funding to counties for substance use disorder treatment services available to Medi-Cal beneficiaries pursuant to Title XIX and Title XXI of the Social Security Act. As part of the Affordable Care Act, through the State of California, DHCS applied for and was granted a Medicaid Section 1115 Waiver in August 2015 to expand and enhance the DMC system and provide a continuum of care. The DMC-ODS pilot program is a voluntary program which offers California counties the opportunity to expand access to high-quality care for Medi-Cal members, authorized and financed under the authority of California's Section 1115 Waiver titled "California's Bridge to Reform Demonstration."

DMC-ODS Medi-Cal beneficiaries who need help with substance use disorders (SUD) have more opportunities to obtain successful treatment for their individual needs if the County participates in SUD services through the DMC-ODS Agreement. The DMC-ODS prevents recidivism and costly emergency services and provides for automatic mandatory enrollment of all Medi-Cal beneficiaries. The DMC-ODS Agreement requires the County to ensure the availability and accessibility of adequate numbers of facilities, service locations, service sites, and professional, allied, and supportive personnel to provide medically necessary services and ensure the authorization of services for urgent conditions.

Initially, on February 28, 2017, the Board approved and authorized BWell to submit the DMC-ODS Implementation Plan to DHCS in order to participate in the state Medicaid demonstration waiver for SUD services. On October 12, 2021, the Board approved the DHCS DMC-ODS multi-year Intergovernmental Agreement (No. 21-10034) for FY 2021-24 for the period of July 1, 2021 through June 30, 2024 to provide mandated SUD services for clients.

On November 29, 2022, the Board approved and authorized BWell to execute a first amendment to the multi-year DHCS DMC-ODS Intergovernmental Agreement (No. 21-10034 A01) to update the terms and conditions for compliance with California Advancing and Innovating Medi-Cal (CalAIM), add Peer Support Service and Contingency Management Services, and increase the contract amount by \$724,000.00 (\$362,000.00 for year two and three) for a total maximum contract amount of \$84,718,000.00 for the period of July 1, 2021 to June 30, 2024.

On October 17, 2023, the Board approved and authorized BWell to execute a second amendment to the multi-year DHCS DMC-ODS Intergovernmental Agreement (No. 21-10034 A02) in order to update programmatic and financial terms and conditions for compliance with state and federal requirements including the CalAIM Behavioral Health Payment Reform changes, with no change in the contract maximum amount of \$84,718,000 for the period of July 1, 2021 to June 30, 2024.

BWell is now returning to the Board to request approval of a third amendment to the multi-year DHCS DMC-ODS Intergovernmental Agreement (No. 21-10034 A03) in order to (a) extend the term of the Agreement until June 30, 2027, and (b) increase the maximum contract amount by \$85,080,000 (\$28,360,000 for FY 2024-25 and \$28,360,000 for FY 2025-26 and \$28,360,000 for FY 2026-27) for a

total maximum contract amount of \$169,798,000 for the period of July 1, 2021 to June 30, 2027, and (c) add an updated Exhibit B, Attachment I (Funding Amounts).

BWell provides the following services: Case Management services to navigate the transitions between treatment levels and coordinate with supportive services such as housing, physical health care, and employment; intensive outpatient treatment; medication assisted treatment services (additional medications available to help with the withdrawal and cravings associated with substance use disorders); opioid narcotic treatment program; physician consultation; recovery support services (to assist in the maintenance of long-term recovery after the treatment episode); and residential treatment services to all beneficiaries, both perinatal and non-perinatal, requiring higher levels of care.

Performance Measure:

The County participates in, and provides data and information to, the University of California, Los Angeles Integrated Substance Abuse Programs through an existing contract with DHCS for the DMC-ODS evaluation. The evaluation process focuses on four key areas of evaluation: (1) access, (2) quality, (3) cost, and (4) integration and coordination of care to measure and monitor the outcomes from the DMC-ODS waiver, which require quarterly reporting. The following data elements are incorporated into the external quality review organization protocol, including but not limited to:

- a. Appropriate level of care after referral and assessment;
- b. Number of days to first DMC-ODS service/follow-up appointments at appropriate level of care after referral and assessment;
- c. Existence of a 24/7 telephone access line with prevalent non-English language(s);
- d. Access to DMC-ODS services with translation services in the prevalent non-English language(s);
- e. Number, percentage of denied, and time period of authorization requests approved or denied;
- f. Proper placement of clients in treatment levels at any given time; and
- g. Treatment engagement and successful completion of treatment planning.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

| <u>Funding Sources</u> | <u>FY 21-22</u> | <u>FY 22-23</u> | <u>FY 23-24</u> | <u>FY 24-25</u> | <u>FY 25-26</u> | <u>FY 26-27</u> |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| General Fund | | | | | | |
| State | \$ 3,000,000 | \$ 3,160,000 | \$ 3,160,000 | \$ 3,160,000 | \$ 3,160,000 | \$ 3,160,000 |
| Federal | \$24,998,000 | \$25,200,000 | \$25,200,000 | \$25,200,000 | \$25,200,000 | \$ 25,200,000 |
| Fees | | | | | | |
| Other: | | | | | | |
| Total | \$27,998,000 | \$28,360,000 | \$28,360,000 | \$28,360,000 | \$28,360,000 | \$ 28,360,000 |
| Six-Year Total | | | | | | \$169,798,000 |

Narrative:

There is an increase in the maximum contract amount by \$85,080,000 (\$28,360,000 for FY 2024-25 and \$28,360,000 for FY 2025-26 and \$28,360,000 for FY 2026-27) for a total maximum contract amount of \$169,798,000 for the period of July 1, 2021 to June 30, 2027. DHCS intends to provide payments to

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participating counties for a state share of the costs for program implementation, subject to annual state budget appropriation. The State General Fund amounts are based on biannual Department of Managed Care estimates. Amended agreement amounts are included in the department's requested FY 2024-25 budget, subject to Board approval in June.

Key Contract Risks:

The funding for the DMC-ODS Agreement is subject to congressional and state appropriation of funds. If the funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DHCS has the option to either cancel the DMC-ODS Agreement with no liability occurring to DHCS or offer an amended agreement to County to reflect the reduced amount. DHCS may also cancel the DMC-ODS Agreement without cause upon 90 days' notice to County. County's contracts with providers also allow for termination for convenience. As with any agreement funded by state and federal sources, there is a risk of future audit disallowances and repayments. BWell's contracts with providers include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to the County. In addition, DHCS requires the County to comply with network adequacy standards, developed by DHCS including those set by statute.

Special Instructions:

Please provide a copy of the Minute Order to Michael Purvis at mpurvis@sbcbswell.org and to Behavioral Wellness Contracts at bwellcontractstaff@sbcbswell.org.

Attachments:

Attachment A: DHCS DMC ODS FY 21-24 Agreement No. 21-10034 Amendment No. A03

Attachment B: DHCS DMC ODS FY 21-24 Agreement No. 21-10034 Amendment No. A02

Attachment C: DHCS DMC ODS FY 21-24 Agreement No. 21-10034 Amendment No. A01

Attachment D: DHCS DMC ODS FY 21-24 Agreement 21-10034

Authored by:

M. Purvis