



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 Group Homes

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

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 **Milhous Children’s Services** (not a local vendor), for the provision of children’s residential services, for a contract amount not to exceed \$110,000 per year, for a total contract of **\$330,000** through June 30, 2017.
- 2) 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.

Background:

Auditor-Controller Concurrence

As to form: Yes

ADMHS funds mental health services for children placed by the Santa Barbara County Department of Social Services or Probation at children's group homes throughout the State. Milhous Treatment Center, located in Nevada City, California, provides Children's Group Home services. This agency is certified by the state to provide Rate Classification Level (RCL) 14 residential services to children who have Serious Emotional Disturbance (SED) and require 24/7 supervision, support and observation to maintain safety.

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. 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:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 55,000.00	\$ 55,000.00	
Federal	\$ 55,000.00	\$ 55,000.00	
Fees			
Other:			
Total	\$ 110,000.00	\$ 110,000.00	\$ -

Narrative:

The above referenced contract is funded by State and Federal funds. The funding sources are included in the FY 2014-15 Adopted Budget. Execution of this contract 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. Milhous Contract