



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

Submitted on:
(COB Stamp)

Department Name: Behavioral Wellness
Department No.: 043
Agenda Date: June 3, 2025
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s): Antonette Navarro, LMFT, Director
Contact Info: Melissa Wilkins, MPH, CADC-II, CCPS, Branch Chief of Alcohol and Drug Programs, Behavioral Wellness
SUBJECT: **Second Amendment to the Services Agreement with Aegis Treatment Centers, LLC for Drug Medi-Cal Organized Delivery System (DMC-ODS) Services for FY 2023–27**

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:

- a) Approve, ratify, and authorize the Chair to execute a Second Amendment to the Agreement for Services of Independent Contractor (BC No. 23-074) with **Aegis Treatment Centers, LLC** (not a local vendor) to update certain standard terms and service codes in compliance with state and federal requirements and increase the contract amount by **\$2,873,100** for a revised, total contract maximum amount not to exceed **\$24,575,700**, inclusive of \$5,325,900 for FY 2023–24 and \$6,416,600 thereafter for the period of FY 2024-25, FY 2025-26, and FY 2026-27, with no change to the contract term of July 1, 2023, through June 30, 2027; and
- b) Determine that the above-recommended action is not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4), finding that the actions are governmental funding mechanisms and/or fiscal activity that will not result in direct or indirect physical changes in the environment.

Summary Text:

Aegis provides Narcotic Treatment Program/Opioid Treatment Program services to adult clients (age 18 and over) as well as adolescent clients (under age 21) with Opioid Use Disorders. This item is on the agenda to approve the Second Amendment to the Services Agreement with **Aegis Treatment**

Centers, LLC (Aegis) to update certain standard terms and service codes in compliance with State and federal requirements and to replace Schedule of Rates and Entity Rates and Codes by Service Type and, to increase the total maximum contract amount to **\$24,575,700**, inclusive of \$5,325,900 for FY 2023–24 and \$6,416,600 for each of FY 2024-25, FY 2025-26, and FY 2026-27, for the period of July 1, 2023, through June 30, 2027. The Agreement is fully funded with Federal funds. With the transition to CalAIM Payment Reform, the fee-for-service portion of the contract will be funded with Medi-Cal Patient Revenue which primarily consists of Federal funds.

Background:

BWell 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). Aegis provides Narcotic Treatment Program (NTP)/Opioid Treatment Program (OTP) services to adult clients (age 18 and over) as well as adolescent clients (under age 21) with Opioid Use Disorders (OUD). These services are categorized by the American Society of Addiction Medicine (ASAM) as Opioid Treatment Services. On July 18, 2023, the Board of Supervisors approved the Agreement for Services with Aegis Treatment Centers, LLC, for Drug Medi-Cal Organized Delivery System (DMC-ODS) services for FY 2023-27 (BC #23-074).

The First Amendment to the Aegis BC #23-074 was executed on December 3, 2024 to amend the terms concerning Overdose Prevention Training and Medical Necessity Determination, add the inclusion of the new Medication Unit located in Lompoc, and increase the contract by \$1,629,000 for a revised total contract amount of \$21,702,600 for the period of July 1, 2023 through June 30, 2027.

This Second Amendment is to update certain federal and State terms to be in compliance with federal and State regulations, to update the Entity Rates and Codes by Services Type for Outpatient Non-Medical Direct Services and Outpatient Medical Prescriber Services, and to increase the contract amount by \$2,873,100 for a revised total maximum contract amount of \$24,575,700, inclusive of \$5,325,900 for FY 2023–24 and \$6,416,600 thereafter for the period of FY 2024-25, FY 2025-26, and FY 2026-27, for the period of July 1, 2023, through June 30, 2027. The billing in March is 159,795 units totaling \$498,883. An increase in rates is due to the need for services that was higher than originally anticipated.

Performance Measure:

For FY 24/25 Quarter 1 and Quarter 2, Aegis had the following outcomes:

The majority of Aegis' services, 99% of services, are captured within their Opioid Treatment Program. Therefore, it is significant to note that during the first two quarters of the fiscal year, Aegis met all goals associated with the Opioid Treatment Program.

- **Opioid Treatment Program** – This program served an average of 938 clients per quarter with an average of 142 discharges per quarter. It met all five of its goals:
 - 100% of clients engaged in treatment with goal of 85%;
 - 60% of clients retained in treatment with goal of 30%;
 - 26% of clients successfully completed treatment with goal of 25%;
 - 76% of clients were abstinent with a goal of 75%;

Less than 1% of Aegis' services are captured within their Perinatal Program. The Perinatal Program is critical to have available as a part of the continuum of care to treat pregnant women when indicated, but is utilized by a small number of clients. Due to the low number of individuals served

in this program during the period, performance calculations are subject to greater instability and should be interpreted with caution.

- **Perinatal Program** – The Perinatal program accounts for less than 1% of Clients who use this service. It served an average of 8 clients per quarter with an average of 1.5 discharges per quarter. Due to the low number of individuals served and minimal discharges by the end of Quarter 1 and Quarter 2:
 - 80% of clients had drug-free births with a goal of 100%;
 - Narcotics Anonymous (NA) clients abstinent at discharge with a goal of 80% (unable to calculate due to low number of discharges within the Quarter 1 and Quarter 2); and
 - Clients successfully completed treatment with a goal of 70% (unable to calculate due to low number of discharges within the Quarter 1 and Quarter 2).

Fiscal and Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Source	FY 2023-24	FY 2024-25	FY 2025-26	FY2026-27	Total
General Fund					
State					
Federal					
Fees					
Medi-Cal Patient Revenue	\$5,325,900	\$6,416,600	\$6,416,600	\$6,416,600	\$24,575,700
Total	\$5,325,900	\$6,416,600	\$6,416,600	\$6,416,600	\$24,575,700

Narrative: The above-referenced Agreement is fully funded with Federal funds. With the transition to CalAIM Payment Reform, the fee-for-service portion of the contract will be funded with Medi-Cal Patient Revenue which primarily consists of Federal funds. The amount of Federal funds is contingent on the client's aid code and the State issued rate for the service. An increase to the contract is necessary to accommodate greater than anticipated service demand. Funding for this contract was included in the Adopted Budgets for FY 2023-24 and FY 2024-25. Funding is included in BWell's Recommended Budget for FY 2025-26 and will be in the proposed FY 2026-27 Budget, which remain contingent on the Board of Supervisors' approval.

Special Instructions:

Please email one (1) complete executed Amendment and one (1) minute order to M. Simon-Gersuk at msimongersuk@sbcbswell.org and the BWell Contracts Division at bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A – Aegis Treatment Centers, LLC DMC-ODS FY 23-27 BC AM2

Attachment B - Aegis Treatment Centers, LLC DMC-ODS FY 23-27 BC AM1

Attachment C – Aegis Treatment Centers, LLC DMC-ODS FY 23-27 BC 23-074 Executed

Authored by:

A. Leach
Contract Analysis
aleach@sbcbswell.org