

## M E M O R A N D U M

**Date:** April 4, 2019

**To:** Board of Supervisors

**From:** Amber Foschaar, J.D.  
Contracts Analyst  
(805) 681-5225

**Subject:** Correction – Board of Supervisors Hearing 4-9-2019  
Behavioral Wellness A-8 - #19-00333

The Salvation Army Drug Medi-Cal Organized Delivery System (DMC-ODS) Fiscal Years 2018-2021 Service Contract

**CC:** Melanie Johnson, Contracts Manager

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This is to inform you that there was a typographical error on Page 1 of the Board Letter, Recommended Actions, B.

Recommended Actions, B. should read as: **February 28, 2019**

Attached for your convenience is the revised Board Letter to replace the Board Letter for The Salvation Army Drug Medi-Cal Organized Delivery System (DMC-ODS) Fiscal Years 2018-2021 Service Contract.

Thank for your assistance in this matter.



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:** April 9, 2019  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Alice Gleghorn, PhD, Director  
Director(s) Behavioral Wellness, 681-5220  
Contact Info: Pam Fisher, PsyD, Deputy Director of Clinical Operations  
Behavioral Wellness, 681-5220

**SUBJECT:** Behavioral Wellness Alcohol and Drug Program – The Salvation Army  
Drug Medi-Cal Organized Delivery System (DMC-ODS) FY 18-21 Service  
Contract

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Manager

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 an Agreement for Services of Independent Contractor with The Salvation Army Southern California Division (Salvation Army) (a local vendor), to deliver substance use disorder services under the Drug Medi-Cal (DMC) Organized Delivery System (ODS), for a multi-year contract total not to exceed **\$4,171,576** for the period March 1, 2019 through June 30, 2021 (“DMC-ODS Contract”).
- B. Approve, ratify, and authorize the Director of Behavioral Wellness to terminate Salvation Army’s ADP portion of its FY 18-19 contract (BC17035) with no change to the mental health portion of the contract effective February 28, 2019.
- C. Authorize the Director of Behavioral Wellness to exercise, as needed, the County’s authority to terminate the DMC-ODS Contract for convenience, cause, or nonappropriations, based on departmental operational needs or as directed by the state Department of Health Care Services (DHCS), without returning to the Board of Supervisors.

- D. Determine that the above actions are organizational or administrative actions of government that will not result in direct or indirect physical changes in the environment, pursuant to section 15378(b)(5) of the California Environmental Quality Act (CEQA) guidelines.

**Summary Text:**

The above referenced contract is on the agenda to request approval of a new contract for Salvation Army to deliver mandatory substance use disorder services under DMC-ODS. It is also requested that the Board approve, ratify, and authorize the Director of Behavioral Wellness to terminate Salvation Army's ADP portion of its FY 18-19 contract (BC17035) with no change to the mental health portion of the contract, and authorize the Director of Behavioral Wellness to exercise, as needed, the County's authority to terminate the DMC-ODS Contract for convenience, cause, or nonappropriations, based on departmental operational needs or as directed by DHCS, without returning to the Board of Supervisors. Approval of the recommended actions will allow Behavioral Wellness to continue to provide mandated substance use and ancillary services to clients needing care.

**Background:**

Behavioral Wellness is mandated by the California Welfare and Institutions Code to provide services, such as Alcohol and Drug Free Housing ("ADFH"), to individuals with substance use issues in Santa Barbara County through the Drug Medi-Cal Organized Delivery System (DMC-ODS). Behavioral Wellness provides these services primarily through contracted providers such as the Salvation Army. Under DMC-ODS, the federal government has waived many of the existing restrictions regarding available substance use disorder treatment services while providing Medi-Cal beneficiaries who need help with substance use disorders a much better opportunity to get successful treatment for their individual needs. On October 16, 2018, the Board of Supervisors approved the Intergovernmental Agreement No. 18-95148 between DHCS and Behavioral Wellness to deliver substance use disorder services under the DMC-ODS, effective December 1, 2018. At that time we shared with the Board of Supervisors that once Behavioral Wellness implements ODS, the ADP portions of FY 18-19 contracts would be either amended or terminated based on the services approved under DMC-ODS.

The DMC-ODS Agreement No. 18-95148 (FY 18-21) wholly replaced Agreement No. 17-94102 (FY 17-20). It was anticipated that Salvation Army would have obtained the proper DMC Certifications to begin providing substance use disorder services under the new ODS, following DHCS' approval of services starting on December 1, 2018. In anticipation that Salvation Army would be ready to provide these new services under ODS on December 1, 2018, Salvation Army's current contract (BC17035), was amended to end services on November 30, 2018. However, due to a delay in DMC certification by Salvation Army, ODS services could not be provided by Salvation Army as anticipated. As a result, to allow for continuity of care during the delay in certification, the Board amended Salvation Army's current contract (BC 17035) on December 11, 2018, adding funds to the contract and extending the contract end date to June 30, 2019 in order to allow for the continued provision of non-Medi-Cal ADP services while Salvation Army went through the certification process. Salvation Army has obtained its DMC Certification to provide substance use disorder services under the ODS program effective March 1, 2019.

In order to submit billings under the DMC-ODS due to the new enhanced services and rates, a new contract with Salvation Army needed to be established. Under DMC-ODS, the Salvation Army will provide residential alcohol and other drug (AOD) treatment to assist adult (age 18 and older) clients with a substance use disorder diagnosis to obtain and maintain sobriety.

In addition, utilizing other County funds, Salvation Army will continue to provide shelter bed services to mentally ill clients who are homeless, at risk of homelessness, or living in substandard housing.

**Performance Outcomes:**

Salvation Army provides the following alcohol and drug free housing (ADFH) services: three (3) to four (4) ADFH beds including one (1) bed for clients referred by the Substance Abuse Treatment Court, and five (5) shelter beds to mentally ill clients who are homeless, at risk of homelessness, or living in substandard housing.

The following Performance Outcomes are based upon data from Quarters 1 and 2 for FY 18-19:

**Alcohol and Other Drug Treatment:** Salvation Army’s goal was to provide safe and sober housing to 100% of clients while they were in outpatient substance use disorder treatment. On average, 78.5% of clients were enrolled in outpatient substance use disorder treatment during Quarters 1 and 2.

Their reported barrier to reaching this goal was obtaining appropriate documentation from clients (actual goal attainment may have been higher). Salvation Army was able to meet other goals, such as, 100% of transitioning clients had improved housing without re-offenses or recidivating.

**Mental Health:** Salvation Army’s goal was to provide shelter services to mentally ill clients who are homeless, at risk of homelessness or living in substandard housing. In Quarter 1, they met 95% of their contractual goal of 100% of the minimum number of beds utilized. In Quarter 2, 88% of the appropriated bed goal was met. The coordination of client case plans was at 100% for Quarters 1 and 2.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY 18-19 Cost:</u></b>	<b><u>Current FY 19-20 Cost</u></b>	<b><u>Current FY 20-21 Cost</u></b>
General Fund			
State	\$334,532	\$875,628	\$875,628
Federal	\$334,532	\$875,628	\$875,628
Fees			
Other:			
Total	\$669,064	\$1,751,256	\$1,751,256
Grand Total			\$4,171,576

Narrative: The above reference contract is funded by State and Federal funds. The funding sources are included in the FY 18-19 Adopted Budget. For FY 19-20 and FY 20-21 the budget is contingent on Board approval.

**Key Contract Risks:**

As with any contract funded by State and Federal sources, there is a risk of future audit disallowances and repayments. Behavioral Wellness contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to the County.

**Special Instructions:**

Please email one (1) complete executed contract and one (1) minute order to [cfoschaar@sbcbswell.org](mailto:cfoschaar@sbcbswell.org) and [bswellcontractsstaff@co.santa-barbara.ca.us](mailto:bswellcontractsstaff@co.santa-barbara.ca.us).

**Attachments:**

Attachment A: Salvation Army FY 18-21 DMC-ODS BC

**Authored by:**

A. Foschaar