



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: 10/28/08
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Ann Detrick, Ph.D., Director, 681-5220
Director(s)
Contact Info: Marianne Garrity, R.N., ADMHS Deputy Director, 681-5220

SUBJECT: FY 08-09 Agreements for Non- Drug Medi-Cal Services

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

Auditor-Controller Concurrence

As to form: Yes

Consider recommendations regarding amendments to non-Drug Medi-Cal contracts for Alcohol and Drug Program (ADP) services for FY 08-09, as follows:

1. Approve and execute amendments to the contracts with Coast Valley Substance Abuse Center, Council on Alcoholism and Drug Abuse, Good Samaritan Shelter, Mental Health Systems, Santa Maria Valley Youth and Family, and Zona Seca, to implement revisions to Exhibit A and Exhibit B, including changes to the required reports and new financial provisions.
2. Authorize the Director of ADMHS to approve amendments to the above contracts, provided that any such amendments do not exceed ten percent (10%) of each contract's dollar amount.

Summary Text:

The vendors listed above provide treatment services to clients struggling with alcohol and drug addiction, including pregnant and postpartum women and drug offenders. These contracts are being brought to the Board of Supervisors for approval due to the implementation of revisions to the Reports sections of Exhibit A, Statement of Work, and a new Exhibit B, Financial Provisions, effective November 1, 2008. This change is consistent with the Contracts Management improvements outlined in the report to the Board of Supervisors on March 11, 2008, and the report to the Board of Supervisors on operations improvements for the Contracts Division on June 24, 2008. This change to the exhibits

coincides with changes to the rates and computation of units of service in the Provider Workbooks, a supplemental document to the contract that details the services being provided by the contractor, also effective November 1, 2008.

Background:

In 2008, ADMHS retained the services of an outside consultant to evaluate the Alcohol and Drug Program (ADP). Based on the consultant's input, and the input of the State ADP Auditor, ADMHS is recommending changing the Net Negotiated Amount (Non-Drug Medi-Cal) rates for the following services to the State Schedule of Maximum Allowances (SMA) rates as determined by the State Budget process for Drug Medi-Cal:

- Day Care Rehabilitative
- Outpatient Drug Free Group Counseling
- Outpatient Drug Free Individual Counseling

This proposed rate change was presented to the ADP Advisory Board and the ADP Contractors this summer. As part of this change, providers will be provisionally reimbursed for these services at the SMA. Previously, reimbursement for Day Care Rehabilitative, Outpatient Drug Free Group (ODF) Counseling, and ODF Individual Counseling Services were reimbursed by staff hour for Non-Drug Medi-Cal, and by session for Drug Medi-Cal. This rate change will bring these Non-Drug Medi-Cal Services into the same unit of measurement and reimbursement methodology as Drug Medi-Cal, and allow for better comparison of services between Non-Drug Medi-Cal, and Drug Medi-Cal.

ADMHS estimates that if these contractors were to maintain the same number of units of service specified in their budget prior to the rate change, the sum of the contract increases required to maintain services at the same level would be approximately \$480,000. The estimate of this number is limited by the change in computation from service hours, to face-to-face sessions. ADMHS is not modifying the contract maximums for these contracts due to budget limitations. Because the rates for services are increasing for most of the contractors listed, and the contract maximums will not increase, ADMHS recognizes that affected contractors may need to reduce the number of units of service provided to clients to remain within the contract maximum. This could conceivably lead to waiting lists for services. Conversely, a few contractors' rates will decrease, resulting in their providing additional services.

ADMHS' Contracts staff worked with representatives from County Counsel, the Auditor-Controller's office and the ADMHS Fiscal office to develop improved contract financial terms and conditions. The new Exhibit B for non- Drug Medi-Cal contracts is consistent with the financial oversight provisions included in the new Exhibit B implemented for the FY 08-09 Children's Mental Health and Adult Mental Health contracts, approved by the Board of Supervisors in June and July 2008. The new Exhibit B also includes State of California Department of Alcohol and Drug Program requirements. Specifically, the revised Exhibits to the agreements for non-Drug Medi-Cal services include the following new and/or clarified terms:

- Statement of Work (Exhibit A)
 - Adds requirement for monthly Fiscal and Staffing reports, and quarterly Programmatic reports.
- Financial Provisions (Exhibit B)

- Requires contractors to submit an agency budget on a standard form. This ensures each agency presents their costs at the outset of the contract and will help reduce the likelihood of sudden cost increases during the year;
- Requires contractors providing non-Drug Medi-Cal ODF Individual, ODF Group, and Day Care Rehabilitative Services to enter these units of service into the County's MIS system, allowing the Department to pay the provider accurately from the appropriate funding source;
- Requires contractors to make written requests to the ADMHS Director or Designee prior to shifting costs between programs;
- Provides clarified terms for the reconciliation of provisional rates with actual costs;
- Specifies that payments will be withheld if the MIS data, invoice, or report(s) are not received within the time limits specified in the contract;
- Specifies timelines for submission of cost report and penalties for noncompliance; and
- Clarifies that providers will be responsible for negative adjustments arising from state or federal audits.

Non-Drug Medi-Cal Contracts Receiving Exhibit Changes:

Coast Valley Substance Abuse Center (Coast Valley) provides treatment services including ODF individual and group counseling and drug testing in Santa Maria. Coast Valley also provides sober living services for women and children in Santa Maria. Coast Valley provided NNA treatment services to 321 clients in FY 06-07.

Council on Alcoholism and Drug Abuse (CADA) provides non-residential, residential, and perinatal treatment services, as well as, prevention, and crisis services in Santa Barbara. These services include: ODF individual and group counseling, a youth and family treatment program, drug testing, residential detoxification, and perinatal day care rehabilitative services. In addition, CADA provides alcohol and other drug crisis services at ADMHS' Crisis and Recovery Emergency Services (CARES) program in Santa Barbara. CADA provided NNA treatment and prevention services to 957 clients in FY 06-07.

Good Samaritan Shelter, Inc. (Good Samaritan) provides services in Santa Maria including ODF individual and group counseling, residential detoxification and drug testing. Good Samaritan also provides perinatal treatment services including operation of a transitional living center, ODF individual and group counseling for pregnant and parenting women and child care services. Good Samaritan also provides alcohol and other drug crisis services at the ADMHS CARES program in Santa Maria. Beginning in FY 08-09, ADMHS has contracted with Good Samaritan for the implementation of new Lompoc detoxification, perinatal and residential programs. Good Samaritan provided NNA treatment services to 425 clients in FY 06-07.

Mental Health Systems, Inc. provides ODF treatment services including individual and group counseling and drug testing for Substance Abuse and Crime Prevention Act (SACPA) eligible clients with alcohol and/or drug problems and related co-occurring mental health or physical disorders. Mental Health Systems also provides treatment services to clients referred through the County's drug court, or Substance Abuse Treatment Court (SATC). Services are provided in Santa Barbara and Santa Maria. Mental Health Systems provided treatment services to approximately 200 clients in FY 06-07.

Santa Maria Valley Youth and Family Center (SMVYFC) offers a youth and family treatment program that includes ODF individual and group counseling services, case management, family services, parenting activities, and drug testing, as well as early intervention and outreach services in Santa Maria. SMVYFC provided NNA treatment services to 218 clients in FY 06-07.

Zona Seca provides ODF treatment services in Lompoc, including individual and group counseling to clients who present with substance abuse problems and related co-occurring mental health or physical disorders. Zona Seca also operates a youth and family treatment program providing ODF individual and group counseling, case management, family services, parenting activities, and drug testing. Zona Seca provided NNA treatment services to 632 clients in FY 06-07.

Performance Measure:

Approval of the recommended action will allow better tracking of non-Drug Medi-Cal services. Additions to Exhibit A will require contractors to submit monthly and quarterly reports, and will enable ADMHS to monitor the financial and programmatic provisions of the contract. The new Exhibit B requires contractors to enter services into the County’s MIS system, which will capture data that was not previously available, including information at the client level. This will provide the same level of data collection as that required for Drug Medi-Cal clients. In addition, the computation of non-Drug Medi-Cal units of service for ODF Group and Individual Counseling, and Day Care Rehabilitative, will change from being billed in staff hours to face-to-face sessions, allowing for better comparisons between programs.

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	\$ 281,190.00		
State	\$ 1,425,378.00		
Federal	\$ 917,596.00		
Fees			
Other: RESERVE	\$ 273,667.00		
Total	\$ 2,897,831.00	\$ -	\$ -

Narrative:

Execution of these contract amendments will not increase funding for the listed contracts, or increase the use of general fund dollars by the ADMHS Department. The above referenced contracts are funded by a combination of State, Federal, Reserve, and General Fund revenue. The funding sources are identified in the Adopted FY 08-09 Budget, Federal and State Revenues (page D-156 in the FY 08-09 County Budget Book, in the Alcohol and Drug Program Division). The proposed expenditures are included in the FY 08-09 Budget for Professional and Special Services.

Special Instructions:

Please send one (1) copy of the minute order and one (1) copy of each fully executed amendment to:

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

Attachments:

Complete FY 08-09 Contract amendments for the following agencies are available at the Clerk of the Board office:

- Coast Valley Substance Abuse Center
- Council on Alcoholism and Drug Abuse
- Good Samaritan Shelter
- Mental Health Systems
- Santa Maria Valley Youth and Family
- Zona Seca

Authored by:

D. Spahn

cc: