



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: 6/3/14  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Takashi Wada, MD, MPH, Interim Director  
Director(s) Alcohol, Drug and Mental Health Services  
Contact Info: Michael C. Evans, CFO/Assistant Director, Finance 805-681-4517

**SUBJECT:** ADMHS FY 13-14 Mental Health Contract Amendments.

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**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:

1. Approve and authorize the Chair to execute a Fourth Amendment to the Agreement for Services of Independent Contractor with Child Abuse Listening & Mediation, Inc. (a local vendor) to increase the amount of the Agreement by \$327,622, for a total contract amount not to exceed \$2,772,110, for the continued and additional provision of mental health services through June 30, 2014;
2. Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Nancy Sterlin, MFT (a local vendor) for the continued and additional provision of brief mental health therapy services through June 30, 2014, for a total contract amount not to exceed \$130,000, that includes the \$100,000 under Purchase Order CN15587 with Nancy Sterlin but otherwise cancels, nullifies, and supersedes Purchase Order CN15587.
3. 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 specialty mental health services and substance abuse services to Medi-Cal beneficiaries, and other individuals to the extent resources allow, in part through contracted services. The above listed contracts will ensure continued provision of mental health services during FY 13-14.

**Background:**

**Child Abuse Listening and Mediation (CALM)** provides mental health services to children and families countywide. Approval of the recommended action will allow CALM to receive reimbursement for increases in client caseload in the Managed Care and Early Childhood Specialty Mental Health programs throughout FY 13-14. In addition, during the third quarter of FY 13-14, CALM began providing *Katie A.* subclass screenings to children ages 0-5, under the Early Childhood Specialty Mental Health Program, for children referred for screening by County Child Welfare Services.

**Nancy Sterlin** (Sterlin) provides short-term, brief therapy designed to alleviate or resolve emerging and/or acute mental health issues. Sterlin is one of the few therapists in South County accepting Medi-Cal and CalWORKs clients and able to provide services in English and Spanish, depending on client preference. Approval of the recommended action will allow Sterlin to complete brief therapy for her existing clients referred by ADMHS.

**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. To address these risks and to minimize settlement amounts with contract providers, ADMHS calculates rates for Medi-Cal services provided by organizational providers on a quarterly basis. Regular reports to contractors on unclaimed and denied units allow providers to correct errors and maximize Medi-Cal penetration rates. Even with these measures, there is the risk that the State will disallow units of service or determine costs to be non-allowable, resulting in repayment. 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:**

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<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State	\$ 236,311.00		
Federal	\$ 221,311.00		
Fees			
Other:			
Total	\$ 457,622.00	\$ -	\$ -

**Narrative:**

The above referenced contract amendments are funded by State and Federal funds. The funding sources are included in the FY 2013-14 Adopted Budget. Execution of these amendments will not increase the use of general fund dollars by the ADMHS Department.

**Special Instructions:**

Please send one (1) complete copy of each amendment and one (1) minute order to:

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

**Attachments:**

CALM Amendment  
 Sterlin Contract

**Authored by:**

D. Spahn