



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: June 23, 2015  
Placement: Administrative  
Estimated Time:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Alice Gleghorn, Ph.D., Director  
Director(s) Alcohol, Drug & Mental Health Services 681-5220  
Contact Info: Michael Craft, MFT, Assistant Director, Clinical Operations  
Alcohol, Drug & Mental Health Services 681-5220

**SUBJECT:** Fiscal Year 2015-2016 ADMHS Behavioral Health Contract Renewals

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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 an Agreement for Services of Independent Contractor with **the Council on Alcoholism and Drug Abuse** (a local vendor), for the provision of substance use disorder services and children's mental health services, for a total contract amount not to exceed **\$1,923,075** for the period July 1, 2015 through June 30, 2016.
- 2) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Mental Health Systems, Inc.** (a local vendor), for the provision of adolescent mental health services and substance use disorder services, for a total contract amount not to exceed **\$995,481** for the period July 1, 2015 through June 30, 2016.
- 3) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Phoenix of Santa Barbara** (a local vendor), for the provision of adult mental health services and substance use disorder services for dually-diagnosed adults, for a total contract amount not to exceed **\$1,193,425** for the period July 1, 2015 through June 30, 2016.
- 4) Determine that the above actions are organizational or administrative activity 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 Alcohol, Drug and Mental Health Services (ADMHS) Department provides specialty mental health services to Medi-Cal beneficiaries, and other individuals to the extent resources allow, in part through contracted services. Approval of the recommended actions will allow ADMHS to continue to provide mandated mental health, substance use, and ancillary services.

**Background:**

ADMHS has combined mental health and Alcohol and Drug Program (ADP) services provided by a single Community-Based Organization (CBO) under one Behavioral Health contract. Services include mental health services to children and adults, substance use disorder treatment, and prevention services.

<b>Contractor</b>	<b>ADP Services</b>	<b>Mental Health Services</b>
Council on Alcoholism and Drug Abuse (CADA)	CADA provides outpatient individual and group treatment services to adults and adolescents, a detoxification program, and a drug prevention program designed for junior and senior high school youth in Santa Barbara County. Services are provided to Medi-Cal beneficiaries and individuals referred through the Courts, including the Clean and Sober Drug Court (CSDC) grant. CADA is anticipated to provide substance use disorder treatment services to approximately 1,070 clients in FY 15-16.	CADA operates the Carpinteria Support, Treatment, Advocacy, and Referral Team (START). START staff from CADA and/or Family Service Agency with expertise in substance abuse and mental health prevention and treatment are assigned to each school in the Carpinteria area to provide mental health services to address mental health issues related to learning, behavior, and emotional problems as well as other school issues such as anxiety, bullying, alienation, and disengagement from classroom learning. CADA serves an average caseload of at least 40 clients through the START program. CADA also provides dual diagnosis specialists to the Crisis and Recovery Emergency Services program in Santa Barbara through Mental Health Services Act (MHSA) funding.
Mental Health Systems, Inc. (MHS)	MHS provides treatment services including outpatient individual and group counseling and drug testing in Santa Maria. MHS also provides services to Substance Abuse Treatment Court (SATC) participants and offers peer supported self-help groups to	MHS provides mental health services to transition- age youth, aged 16 to 24 with SED or serious mental illness. The New Heights program is designed to support the recovery of an average capacity of 90 transition-age youth, using a “whatever it

	<p>clients who are waiting to enter treatment programs. MHS is anticipated to provide AOD treatment services to approximately 133 clients in FY 15-16.</p>	<p>takes” approach through multi-disciplinary teams Countywide. New Heights teams are comprised of County and Contractor staff providing clients with recovery-focused services including mental health services, employment and education support and referrals, linkage to other service providers and community resources and socialization support. MHS also provides Consumer Peer Recovery Specialists and Family Advocates that partner with ADMHS clinical staff as part of Early Detection and Intervention Teams, funded through MHSA Prevention and Early Intervention (PEI). The teams provide outreach and education, therapy, community integration, employment and educational support and housing services and support to an average capacity of 100 clients experiencing early onset of mental illness and their families.</p>
<p>Phoenix of Santa Barbara, Inc. (Phoenix)</p>	<p>Phoenix provides treatment services including outpatient individual and group counseling and drug testing in Santa Barbara to individuals with co-occurring mental health and substance abuse conditions. Phoenix is anticipated to serve approximately 80 clients in FY 15-16.</p>	<p>Phoenix provides intensive residential mental health services to adults in the Santa Barbara area. The Phoenix House and Mountain House programs are licensed by the State Department of Social Services, Community Care Licensing Division (CCLD), to provide rehabilitation and support services to residents. Phoenix House serves an average caseload of 9 ADMHS clients, and the Mountain House serves a caseload of 14 ADMHS clients.</p>

**Performance Measure:**

Specific, measureable targets for performance were developed by ADMHS and the above providers based on historical performance data, and are included as Attachment E to the contract. ADMHS will continue to work with these providers to refine and develop meaningful performance targets in FY 15-16 as part of the ongoing ADMHS system redesign.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<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	\$ 2,055,991		
Federal	\$ 2,055,990		
Fees			
Other:			
Total	\$ 4,111,981	\$ -	\$ -

**Narrative:**

The above referenced contracts are funded by State and Federal funds. The funding sources are included in the FY 15-16 Adopted Budget.

**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.

**Special Instructions:**

Please email one (1) complete copy of each executed contract and one (1) minute order to:  
[admhscontractsstaff@co.santa-barbara.ca.us](mailto:admhscontractsstaff@co.santa-barbara.ca.us)

**Attachments:**

1. CADA 15-16 BC
2. MHS FY 15-16 BC
3. Phoenix FY 15-16 BC

**Authored by:**

D. Morales