



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: December 8, 2015  
Placement: Administrative  
Estimated Time:  
Continued Item: No  
If Yes, date from:  
Vote Required: 4/5

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**TO:** Board of Supervisors  
**FROM:** Department Alice Gleghorn, Ph.D., Director  
Director(s) Alcohol, Drug, and Mental Health Services, 681-5220  
Contact Info: John Doyel, Alcohol and Drug Program Manager, 681-5220  
**SUBJECT:** FY 15-16 ADP - Non-Perinatal Intensive Outpatient Treatment Services  
Amendments and Budget Revision Request

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

**Auditor-Controller Concurrence**

As to form: Yes

- A. Approve and authorize the Chair to execute a First Amendment for Services of Independent Contractor with **Good Samaritan Shelter Inc.**, (a local vendor), to add Non-Perinatal Intensive Outpatient Treatment Services, and to increase the contract amount by **\$50,000** for a maximum contract amount not to exceed **\$1,879,729** through June 30, 2016.
- B. Approve and authorize the Chair to execute a First Amendment for Services of Independent Contractor with **Mental Health Systems, Inc.** (a local vendor), to add Non-Perinatal Intensive Outpatient Treatment Services, and to increase the contract amount by **\$125,000** for a maximum contract amount not to exceed **\$1,120,481** through June 30, 2016.
- C. Approve and authorize the Chair to execute a First Amendment for Services of Independent Contractor with **Sanctuary Psychiatric Centers** (a local vendor), to add Non-Perinatal Intensive Outpatient Treatment Services, and to increase the contract amount by **\$75,000** for a maximum contract amount not to exceed **\$279,790** through June 30, 2016.
- D. Approve Budget Revision Request (BRR#0004196) increasing appropriations of \$250,000 FY 2015-2016 in the ADMHS Department, Alcohol and Drug Programs Fund for Services and Supplies, funded by unanticipated revenue from Drug Medi-Cal.

- E. 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 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:**

In July 2015, the County of Santa Barbara Alcohol, Drug and Mental Health Services (ADMHS) Division of Alcohol and Drug Programs (ADP) initiated a Request for Proposal (RFP) for a Pilot Program that offered Non-Perinatal Intensive Outpatient Treatment (IOT) Services. IOT services which were previously only available to those who are pregnant, postpartum, or youth eligible for Early and Periodic Screening, Diagnosis and Treatment, have been expanded in order to conform to requirements of the Affordable Care Act. These services are now authorized for all beneficiaries who meet the requirement for medical necessity. Three Community Based Organizations were selected through the RFP process to provide IOT services: Good Samaritan Shelter Inc., Mental Health Systems, and Sanctuary Psychiatric Centers. Approval of the recommended actions will allow ADMHS to provide additional substance use disorder services.

**Background:**

ADMHS' IOT is an outpatient treatment model. It encourages timely admission and assessment, the use of motivational interviewing techniques to engage clients, client-centered and strength based treatment planning, psycho/educational group counseling that encourages peer interaction, relapse prevention, random urinalysis to validate client abstinence and to promote accountability, recovery-focused celebratory activities, and after care linkages for support. The primary goal of the program aligns itself with the overall mission of ADMHS and seeks to help clients reduce the harm and eliminate substance use and abuse. The length of the IOT pilot program contracts will be through June 30, 2016 and renewable for additional year-long terms based on performance. The goal is to serve 50 clients in IOT during FY 15-16, for 180 days with a transition to Outpatient Drug-Free Services (ODF) as deemed necessary by the American Society of Addiction Medicine (ASAM) criteria and medical necessity.

Good Samaritan Shelter Services, Inc. (Good Samaritan) provides services in North County including outpatient individual and group counseling, residential detoxification, and drug testing. Good Samaritan provides perinatal treatment services including transitional living centers and individual group counseling for pregnant and parenting women. Good Samaritan is anticipated to serve 10 IOT clients in Lompoc during FY 15-16.

Mental Health Systems, Inc. (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 clients who are waiting to enter treatment programs. MHS is anticipated to serve 25 IOT clients in Santa Maria during FY 15-16.

Sanctuary Psychiatric Centers (Sanctuary) currently operates an adult outpatient treatment program to assist clients with co-occurring substance abuse and mental health issues to obtain and maintain sobriety. Treatment services include best practice outpatient individual and group counseling, and drug testing. Through ADMHS' contract, Sanctuary serves DMC clients as well as Court-ordered adults referred by Santa Barbara Drug Courts. Sanctuary is anticipated to serve 15 IOT clients in Santa Barbara during FY 15-16.

**Fiscal and Facilities Impacts:**

Budgeted: No **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	\$ 1,640,000.00		
Federal	\$ 1,640,000.00		
Fees			
Other:			
Total	\$ 3,280,000.00	\$ -	\$ -

Narrative: The above referenced contracts are funded by State and Federal Funds. A budget revision is necessary to increase appropriations for Alcohol Drug Program Community Based Organizations' services as a result of the Drug Medi-Cal (DMC) Intensive Outpatient Treatment (IOT) Request for Proposal. ADMHS is requesting an increase in Services and Supplies due to \$250,000 additional Drug Medi-Cal services provided by CBOs. These cost increases are funded by \$250,000 in Drug Medi-Cal revenue. There is no impact to the General Fund with the budget revision.

**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 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 Fiscal Year; however, the 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 scan one (1) copy of each executed amendment and one (1) minute order to:  
[admhscontractsstaff@co.santa-barbara.ca.us](mailto:admhscontractsstaff@co.santa-barbara.ca.us)

**Attachments:**

Attachment A: Good Samaritan Shelter Inc., First Amendment FY 15-16

(Original FY 15-16 Good Samaritan Shelter Agreement available at:

<https://santabarbara.legistar.com/LegislationDetail.aspx?ID=2322281&GUID=9E708B7E-260F-42D1-81FF-8B0578988DBD&Options=&Search=>

Attachment B: Mental Health Systems, First Amendment FY 15-16

(Original FY 15-16 Mental Health Systems Agreement available at:

<https://santabarbara.legistar.com/LegislationDetail.aspx?ID=2359738&GUID=14B30727-1D7D-46A9-A284-11CBFCECB551&Options=&Search=>)

Attachment C: Sanctuary Psychiatric Centers, First Amendment FY 15-16

(Original Sanctuary Psychiatric Centers FY 15-16 Agreement available at:

<https://santabarbara.legistar.com/LegislationDetail.aspx?ID=2322310&GUID=665D01AB-ACEC-47C8-8FE9-67B4E3A6FEA7&Options=&Search=>

Attachment D: Budget Revision Request 0004196

**Authored by:**

Q.Lopez/D.Morales