



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: June 22, 2021
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Pam Fisher, Psy.D., Acting Director
Director(s) Behavioral Wellness, 805- 681-5220

Contact Info: John Doyel, MA, LAADC, Division Chief, ADP
Behavioral Wellness, 805-681-5220

SUBJECT: Behavioral Wellness Alcohol and Drug Program – LAGS Spine and Sportscare Medical Centers, Inc. Drug Medi-Cal Organized Delivery System (“DMC-ODS”) Service Contract Termination for fiscal years 2018-2021 and fiscal years 2021-2024

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Authorize the Chair to terminate, effective May 14, 2021, the **LAGS Spine and Sportscare Medical Centers, Inc.** (“LAGS”) Agreement for Services of Independent Contractor for fiscal years (“FY”) 2018-2021 (BC Number 19-149), originally executed by the County on November 6, 2018 and subsequently amended on August 18, 2020, and the **LAGS** Agreement for Services of Independent Contractor for FY 2021-2024 (BC Number 20-282), originally executed by the County on May 4, 2021, (collectively, the “Agreements”) due to LAGS’ cessation of business operations related to the provision of Drug-Medi-Cal services to Medi-Cal beneficiaries on May 14, 2021 and its consequent material breach of the Agreements;
- B. Direct the Director of the Department of Behavioral Wellness or designee to issue a letter, substantially similar to the draft provided in Attachment A, terminating the Agreements, effective May 14, 2021;

- C. Delegate to the Director of the Department of Behavioral Wellness or designee the authority to take actions necessary to provide for the winddown of the Agreements, subject to the Board's ability to rescind this delegated authority at any time;
- D. 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 Santa Barbara County Department of Behavioral Wellness (“BeWell”) provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, in part, through contracted providers including Community-Based Organizations (“CBOs”). LAGS ceased business operations on May 14, 2021. The above-referenced Agreements are on the agenda to authorize the Chair to terminate the Agreements, direct the BeWell Director or designee to issue a termination letter substantially in the form of Attachment A, and delegate authority to the BeWell Director or designee to take all other necessary steps to winddown the Agreements.

Background:

The Board of Supervisors authorized the Director of BeWell to execute an Intergovernmental Agreement (No. 18-95148) on behalf of the County with the State Department of Health Care Services (“DHCS”) to deliver SUD services under DMC-ODS on October 16, 2018 for FY 18-21. On November 6, 2018, the County entered into an Agreement with LAGS for the provision of Alcohol Drug Program Substance Use Disorder services under the DHCS DMC-ODS pilot program, effective December 1, 2018 to June 30, 2021.

The First Amended Agreement for Services of Independent Contractor for FY 18-21 with LAGS was executed by the County on August 18, 2020.

The Board approved of the renewal of the contract with LAGS for FY 21-24. The Agreement for Services of Independent Contractor for FY 21-24 was executed by the County on May 4, 2021, with a start date of July 1, 2021.

BeWell received notice from LAGS on May 12, 2021 that it would cease all operations related to the provision of Drug-Medi-Cal services to Medi-Cal beneficiaries, effective the close of business on May 14, 2021. In subsequently ceasing its operations as described, LAGS is in default in the performance of its Agreements with the County and thus materially in breach of one or more of the Agreements' provisions.

Under DMC-ODS, LAGS operated an adult outpatient treatment program in Santa Maria, which provided Level 1.0 Outpatient Services, Level 2.1 Intensive Outpatient Services, Naltrexone, and additional MAT services to assist clients with co-occurring substance abuse and mental health issues to obtain and maintain sobriety. Treatment services included best practice individual and group counseling, drug testing, and Co-Occurring Capable treatment services. MAT is the use of prescription medications, in combination with counseling and behavioral therapies, to provide a whole-person approach to the treatment of substance

use disorders. LAGS provided necessary Outpatient Services, Intensive Outpatient Services, Naltrexone, and Additional MAT to BeWell clients.

Performance Outcomes:

At the time of the closure, there were 42 clients receiving outpatient services and 15 clients receiving recovery services. BeWell, with the support of the LAGS Clinic staff, worked to promptly transition currently open clients to other Drug-Medi-Cal providers to ensure continuity of care for these clients. All clients have been linked to BeWell Alcohol Drug Program care coordinators who have either made contact with each client or have made efforts to contact them and are waiting to hear back. Seventeen clients have been referred to other contracted treatment providers, including MAT providers. Some of the clients have decided to stay with LAGS and pay for treatment on their own. It is also expected that some of the clients in recovery services might be successfully completed and referred to outside self-help groups such as Alcoholics Anonymous and Narcotics Anonymous because recovery services are aftercare that may not be indicated any further.

Fiscal and Facilities Impacts:

Budgeted: Yes **Fiscal Analysis:**

| <u>Funding Sources</u> | <u>Current FY 18-19 Cost:</u> | <u>Current FY 19-20 Cost</u> | <u>Current FY 20-21 Cost</u> |
|-------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| General Fund | | | |
| State | \$183,490.5 | \$314,555 | \$314,555 |
| Federal | \$183,490.5 | \$314,555 | \$314,555 |
| Fees | | | |
| Other: | | | |
| Total | \$366,981 | \$629,110 | \$629,110 |
| Grand Total | | | \$1,625,201 |
| | | | |
| | | | |

| <u>Funding Sources</u> | <u>FY 21-22 Cost:</u> | <u>FY 22-23 Cost:</u> | <u>FY 23-24 Cost:</u> |
|-------------------------------|------------------------------|------------------------------|------------------------------|
| General Fund | | | |
| State | \$375,000 | \$375,000 | \$375,000 |
| Federal | \$375,000 | \$375,000 | \$375,000 |
| Fees | | | |
| Other: | | | |
| Total | \$750,000 | \$750,000 | \$750,000 |
| Grand Total | | | \$2,250,000 |
| | | | |
| | | | |

Narrative: The FY 18-21 and FY 21-24 were funded by State and Federal funds. The funding sources were included in the FY 19-20, FY 20-21, FY 21-22, and FY 22-23 Adopted Budget.

Special Instructions:

Please email one (1) minute order to mejohanson@sbcbswell.org and bswellcontractsstaff@co.santa-barbara.ca.us.

Attachments:

Attachment A: Draft LAGS FY 18-21 and FY 21-24 DMC-ODS Board Contracts (BC #19-149; 20-282)
Termination Letter

Attachment B: LAGS FY 21-24 DMC-ODS Board Contract executed (BC #20-282)

Attachment C: LAGS FY 18-21 DMC-ODS Board Contract First Amendment executed (BC #19-149)

Attachment D: LAGS FY 18-21 DMC-ODS Board Contract executed

Authored by:

Melanie Johnson