County of Sonoma  
Agenda Item  
Summary Report

Clerk of the Board  
575 Administration Drive  
Santa Rosa, CA 95403

To: Board of Supervisors of Sonoma County

Board Agenda Date: June 14, 2016  
Vote Requirement: Majority

Department or Agency Name(s): Department of Health Services

Staff Name and Phone Number: Stephan Betz, 565-7876  
Supervisory District(s): Countywide

Title: Behavioral Health Services Agreements

Recommended Actions:

Authorize the Director of Health Services to execute agreements for mental health and substance use disorder services with a term beginning in FY 16-17 and ending no later than June 30, 2019, for a FY 16-17 not to exceed amount of $38,159,285.

Authorize the Director of Health Services to execute support services agreements for behavioral health services with a term beginning in FY 16-17 and ending no later than June 30, 2019, for a FY 16-17 not to exceed amount of $2,404,875.

Executive Summary:

The Department of Health Services requests authority to execute agreements for mental health and substance use disorder treatment services and related support services provided by agencies documented in Attachment 1, with a term beginning in FY 16-17 and ending no later than June 30, 2019. The Department contracts with a broad range of licensed providers to provide timely access to high quality mental health and substance use disorder services. Agreement terms are staggered for periods of one to three years within appropriate fiscal year budget(s) to ensure continuity of consumer services, effective management of provider services, and efficient contract management. Agreements are executed in the standard counsel-approved County template, include language that obligates the Department only to the extent funding is available, and allow for termination of the contract in the event that any anticipated funding is reduced or eliminated.

The Department manages contract services within the County’s competitive process guidelines and the medical network of care as mandated by federal and state regulations. Consistent with state requirements for managed care plans, the Department maintains an open provider network and any licensed provider may submit a request to contract to provide behavioral health services. Requests are reviewed on an ongoing basis and approved based on client need, geographic coverage, and cultural and language capabilities. The selection of the initial Mental Health Services Act (MHSA) program providers was based on community stakeholder input and a request for proposals (RFP) process. Ongoing MHSA programs and services are vetted annually through a community planning and input process that
includes posting of the MHSA plan for comment and a public hearing. In the case of other contract services, the Department follows the County’s competitive process guidelines. Regarding goods and services that are only available from a single provider, including proprietary software and licensed or patented goods and services, the County Purchasing Agent considers such an appropriate use of sole/single source purchasing authority due to the proprietary nature of the software.

**Provider Treatment Services**

The proposed budget for FY 16-17 includes $38,159,285 for contracted mental health and substance use disorder treatment services. The Department contracts for services to access expertise not available internally, to expand existing services to match consumer needs to provider expertise, and to supplement staff shortages for specialized client needs. The agreements include a full range of specialty behavioral health services, and provide consumers broad access to culturally, age, and gender appropriate services within an integrated network of care. Consumers served by the Department’s contracted network of behavioral health providers include Medi-Cal beneficiaries, the medically indigent, underinsured, and uninsured individuals. Each year the Behavioral Health providers provide mental health and substance use disorder services to approximately 16,000 consumers. Because individuals experiencing a serious behavioral health crisis often require an immediate referral to a qualified contracted provider, in place Board authority to execute agreements is required to facilitate timely and appropriate access to services.

The Department of Health Services maintains a consistent panel of healthcare providers to ensure continuity of care and provision of services that are geographically accessible throughout Sonoma County. Contracted providers must be licensed by the state and comply with certification requirements and all regulatory and fiscal reporting requirements specific to the treatments provided.

The Department contracts for the following types of mental health and substance use disorder treatment services as part of the Department of Health Services treatment system. Descriptions include the estimated client need for FY 16-17. In some instances, the needs of clients dictate a pattern of contract utilization that is other than what was originally planned. The ability to maximize funding between contracts (within the overall budget authority granted by the Board) increases opportunities to provide for the varying needs of clients with the most appropriate and effective level of care. A list of mental health and substance use disorder treatment services providers is presented in Attachment 1.

**Residential Non-Medical Detoxification ($640,192)**

Drug Abuse Alternatives Center (DAAC) provides 15 residential non-medical detoxification beds at the Orenda Center. The Department projection for the number of clients that will be admitted into a facility for residential non-medical detoxification services in FY 16-17 is approximately 2,000; unchanged from the FY 15-16 projection. The cost for these services is projected to remain unchanged from the FY 15-16 cost. The Department plans to contract with a single provider for these services.

**Residential Substance Use Disorder Treatment Services ($2,732,606)**

Residential substance use disorder treatment services provides approximately 125 residential beds for therapeutic inpatient substance use disorder treatment. Services may be provided in lieu of incarceration for inmates of the Main Detention Facility and North County Detention Facility. Services may be provided to residents of the community in need of therapeutic residential substance use disorder treatment. The Department projection for the number of clients that will be admitted to a residential facility for inpatient substance use disorder treatment services in FY 16-17 is approximately
780; unchanged from the FY 15-16 projection. The cost for these services is projected to decrease $160,000 from the FY 15-16 cost (5.5 percent), primarily due to a decrease in the projected average length of client stay. The Department plans to contract with five providers for these services in amounts ranging from $14,687 to $1,846,408. Additional services, such as out-of-County placements, may also be needed from various providers, in an amount totaling up to $83,000.

**Outpatient Substance Use Disorder Treatment Services ($1,326,760)**

Therapeutic outpatient substance use disorder treatment services may be provided in lieu of incarceration for inmates of the Main Detention Facility and North County Detention Facility, or to residents of the community in need of therapeutic outpatient substance use disorder treatment. The Department projection for the number of clients that will utilize substance use disorder treatment services from a contracted provider in FY 15-16 is approximately 1,725; a decrease of 25 from the FY 15-16 projection (1.4 percent). As a result of reduced provider costs, in combination with the projected decrease in utilization, the cost for these services is projected to decrease $118,390 from the FY 15-16 cost (8.2 percent). The Department plans to contract with four providers for these services in amounts ranging from $41,838 to $677,733. Additional currently unidentified providers within this service category may also be needed in an amount totaling up to $10,850.

**Perinatal Residential and Outpatient Substance Use Disorder Day Treatment Services ($819,561)**

The perinatal services program provides approximately 10 residential treatment beds as well as outpatient therapeutic substance use disorder treatment for pregnant and parenting women. These services can be accessed through community or self-referral. Both the residential and outpatient services include on-site child care and available transportation for clients. The Department projection for the number of pregnant and parenting women that will access perinatal residential and outpatient day treatment services in FY 16-17 is 80. The cost for these services is projected to remain unchanged from the FY 15-16 cost. The Department plans to contract with two providers for these services for amounts ranging from $409,037 to $410,524.

**Narcotic Treatment Programs ($2,438,488)**

This program provides outpatient therapeutic substance use disorder treatment in the form of Narcotic Replacement Therapy (such as methadone). The Department projection for the number of clients that will access narcotic treatment services in FY 16-17 with individual episodes of care generally lasting longer than one year is approximately 750; an increase of 100 from the FY 15-16 projection (15.4 percent). As a result of this increased utilization, the cost for these services is projected to increase $200,000 from the FY 15-16 cost (8.9 percent). The Department plans to contract with two providers for these services in amounts ranging from $628,488 to $1,810,000.

**Ancillary Services ($158,526)**

Ancillary services include supplementary services such as acupuncture, sober living environment, case management, and employment services, for clients receiving therapeutic substance use disorder treatment services. The Department projection for the number of individuals to access ancillary services in FY 16-17 is approximately 270; unchanged from the FY 15-16 projection. The cost for these services is projected to remain unchanged from the FY 15-16 cost. The Department plans to contract with four providers for these services in amounts ranging from $9,038 to $76,960.
**Long-Term Care Facilities ($7,311,476)**

Long-term care facilities provide services to improve the daily functioning of adults with serious and persistent mental illness. Facilities also serve clients who require short- to medium-term intensive treatment in a secure, highly structured therapeutic environment in order to return to the community. The Department projection for number of individuals that will be admitted into long-term care facilities in FY 16-17 is 135; an increase of 35 (35 percent) over the FY 15-16 projection. The cost for these services is projected to increase by approximately $2.6 million from the FY 15-16 projected cost (54.5 percent). The FY 16-17 projected cost is based on actual FY 15-16 cost, which is significantly higher than anticipated due to a higher number of individuals being admitted to long-term care facilities, longer stay lengths, and increased provider costs. The Department has identified and plans to contract with two providers for these services in amounts ranging from $1,000,000 to $2,633,475. In addition, the Department plans to contract with a number of currently unidentified providers for these services, based on client need and the availability of beds, in an amount totaling up to $3,678,001.

**Children’s Group Homes ($1,993,000)**

Group homes provide mental health youth and family services to ensure that the mental health treatment needs of children living in placements are appropriately met. Services are available to children who have been assessed by Behavioral Health Division staff and identified as requiring specific levels of mental health intervention. The Department projection for the number of children that will be admitted into contracted group homes in FY 16-17 is 120; an increase of 26.3 percent from the FY 15-16 projection. The cost for these services is projected to increase by $643,000 (47.6 percent) from the FY 15-16 projected cost. The FY 16-17 projected cost is based on actual FY 15-16 cost, which is significantly higher than anticipated due to a higher number of children being admitted to group homes, longer stay lengths, and increased provider costs. The Department plans to contract with eight providers for these services in amounts ranging from $53,000 to $800,000. Various additional services may be required for specialized placements that the identified providers do not have the ability to serve, such as a very young child or a child with very specialized needs such as eating disorders. Use of additional providers will result in a decreased cost of identified providers.

**Children’s Mental Health Outpatient Services ($4,057,341)**

Includes outpatient mental health youth and family services to ensure that individual/family counseling and case management needs are addressed. The Department projection for the number of children that will require mental health outpatient services in FY 16-17 is 1,100; unchanged from the FY 15-16 projection. The cost for these services is projected to remain unchanged from 15-16 costs. The Department plans to contract with six providers for these services in amounts ranging from $90,000 to $1,585,000. Additional services may be required for specialized placements that the identified providers do not have the ability to serve, such as a very young child or a child with very specialized needs such as eating disorders. Use of additional providers will result in a decreased cost of identified providers.

**Supportive Services to Adults in Community Care Facilities ($4,140,196)**

Support services provided to adults in licensed community care facilities fall into two broad categories. Contractors provide an organized treatment program with a daily schedule of activities designed to help clients learn daily living skills, understand their mental illness, and/or deal with substance use disorder issues in preparation for moving into a more independent living situation. The remaining contracts are with licensed board and care providers that offer limited supervision of clients, assistance with
managing medications, and help with the activities of daily living. The Department projection for the number of individuals to be admitted to contracted licensed community care facilities for supportive services in FY 16-17 is 285; unchanged from the FY 15-16 projection. The cost for these services is projected to decrease by $45,293 from the FY 15-16 cost (1.1 percent). The Department plans to contract with two providers for these services in amounts ranging from $973,153 to $1,304,298. In addition, the Department plans to contract with a number of currently unidentified providers for these services, based on client need and the availability of beds, in an amount totaling up to $1,862,745.

**Supportive Services to Adults in Independent Living Settings ($3,107,586)**

The treatment goal for all mental health clients is for them to live in the community as independently as possible. A variety of living arrangements are available to clients including single or shared apartments, and homes shared by a small number of individuals. Contract providers send staff to clients' homes to teach and assist them in accomplishing all the tasks necessary to live independently, including menu planning, grocery shopping, budgeting and paying bills, taking medications as prescribed, etc. The Department projection for the number of individuals that will be admitted to contracted licensed independent care facilities for supportive services in FY 16-17 is 425; an increase of 2.5 percent from the FY 15-16 projection. As a result of increased provider cost and utilization, the cost for these services is projected to increase by $216,011 (7.5 percent) from the FY 15-16 cost. The Department plans to contract with three providers for these services in amounts ranging from $346,675 to $1,464,846.

**Consumer, Family Peer Support and Recovery Services ($1,546,371)**

Through contracts with several community-based organizations, clients and/or their families may access a variety of services designed to foster self-reliance and maximize overall quality of life. The services include provision of general health information and referral, assistance navigating the mental health systems of care, recreation and socialization, consumer and family support groups, peer counseling training, peer counseling, telephone support, advocacy training and consultation, benefits counseling, vocational training, and consumer-operated employment opportunities. The Department projection for the number of individuals that will access these services in FY 16-17 is 15,000; unchanged from the FY 15-16 projection. The cost for these services is projected to decrease $48,734 from the FY 15-16 cost (3.1 percent). The Department plans to contract with six providers for these services in amounts ranging from $47,505 to $725,983.

**Mental Health Services Act Community Partnerships ($1,237,583)**

The Department provides funds and consultation services to community-based health care and substance abuse organizations, enabling these organizations to work more effectively with their clients who have mental illness. These collaborations facilitate access to primary care for individuals with mental illness, and assist the Behavioral Health Division to identify new clients needing services. In addition, these organizations are the providers of choice for many in the Latino and Native American populations. The Department projects that these MHSA Community Partnership funded agreements will allow approximately 2,750 previously underserved individuals to receive integrated behavioral and physical health care services at the regional health centers in FY 16-17; unchanged from the FY 15-16 projection. The cost for these services is projected to remain unchanged from the FY 15-16 cost. The Department plans to contract with seven providers for these services in amounts ranging from $9,212 to $812,434.
**Mental Health Services Act Full Service Partnerships ($663,164)**

These “full service partnerships” provide comprehensive services to a limited number of clients. The Department projects that 300 clients will receive supported housing and employment services, medication management, socialization, peer support, and access to staff support 24 hours per day, 7 days per week during FY 16-17; unchanged from the FY 15-16 projection. The cost for these services is projected to remain unchanged from the FY 15-16 cost. The Department plans to contract with two providers for these services in amounts ranging from $200,000 to $463,164.

**Acute Inpatient and Short-Term Crisis Services ($2,917,000)**

Individuals in crisis may require a structured setting that provides 24-hour supervision and support. Acute inpatient psychiatric hospitals serve those clients who require a locked facility. Others are able to receive services in a residential setting in the community with intensive 24-hour support and supervision. Due to the addition of a second crisis residential unit (CRU) the Department’s projection for the number of clients that will receive acute inpatient and short-term crisis services in FY 16-17 is expected to increase by approximately 300 clients to 1,125 (36 percent). Due to the addition of a second Crisis Residential Unit, the cost for these services is projected to decrease by $531,680 from the FY 15-16 cost (15.4 percent). The Department plans to contract with two providers (one a collaborative including three providers) for these services in amounts ranging from $415,000 to $2,100,000. In addition, the Department plans to contract with a number of currently unidentified providers for these services, based on client need and the availability of beds, in an amount totaling up to $402,000.

**Mental Health Services Act Prevention and Early Intervention ($2,307,710)**

Our community partners provide 1) prevention based services to individuals prior to the development of serious mental illness or serious emotional disturbances and to alleviate the need for additional mental health services or extended mental health treatment; 2) build capacity for mental health prevention and early intervention services at sites where people access other services such as health providers, education facilities, and community organizations; and 3) ensure earlier access to mental health services in order to lower the incidence of mental illness and suicide, to enhance wellness and resilience, and to reduce stigma and discrimination in Sonoma County. The Department projection for the number of children ages 0-18, transition age youth, students Kindergarten through college, and other community members that will receive MHSA Prevention and Early Intervention services in FY 16-17 is 25,000; unchanged from the FY 15-16 projection. The cost for these services is projected to decrease $60,616 from the FY 15-16 cost (2.6 percent). The Department plans to contract with eighteen providers for these services in amounts ranging from $41,400 to $434,517.

**Mental Health Services Act Workforce, Education and Training ($761,725)**

Workforce, Education and Training represents one of the five original funding components for the Mental Health Services Act. The authors of the act recognized a need to develop and train individuals to work in what they hoped would be an expanded and transformed mental health system of care. These contracts provide opportunities for graduate level clinicians to be trained and receive hours toward eventual licensure with the intent that they will at some point in the future be working in the public mental health system. This is a key strategy for the Department in diversifying the workforce. The contracts also provide opportunities for individuals in recovery from mental illness and/or family members to be trained to take peer support positions in the system. In all cases, these contractors will be providing direct services to Department client’s thus expanding access to care. The cost for these
services is projected to remain unchanged from the FY 15-16 cost. The Department plans to contract with three providers for these services in amounts ranging from $184,872 to $302,394.

**Support Services**

The proposed budget for FY 16-17 includes $2,404,875 for services to support the delivery of client and program related services. The cost for these services is projected to increase $309,500 from the FY 15-16 cost (14.8 percent). Following is a description of proposed support service contracts. A list of support services providers is presented in Attachment 1.

**Temporary Staffing and Recruitment Services (1,500,000)** Temporary staffing contracts support maintenance of a pool of psychiatrists and other psychiatric professionals to provide services in the event the County is unable to recruit and retain staff, or to provide for the specialized needs of clients. The Department contracts with staffing agencies, locum tenens, individual psychiatrists, psychiatric nurse practitioners, or other providers as needed. In order to allow maximum flexibility to meet client needs, contracts do not specify an individual maximum fiscal obligation. Continued challenges with recruiting appropriate staff has resulted in an increased need for these services. The cost for these services is projected to increase $250,000 (20 percent) from the FY 15-16 cost.

**Drug Impairment Detection Services PassPoint™ (34,000)** Drug testing and analysis service to screen for substance use as mandated. These services are utilized for 500-600 individuals each year. The cost for these services is unchanged from FY 15-16.

**ECHO Management Group (40,000)** Transactional data systems to perform client billing and accounting and auditing functions. This system is used to submit claims to Medi-Cal and Medicare for services that were performed prior to FY 13-14, and perform related accounting and reporting functions. As is standard with software systems, ongoing maintenance, support and upgrades are necessary to preserve its integrity and reliability. ECHO management is the sole source for this maintenance agreement. The cost for this service is projected to remain unchanged from the FY 15-16 cost.

**FEI.com Inc. (98,000)** Ongoing development, support, and implementation of the Sonoma Web Infrastructure for Treatment Services (SWITS) to meet federal and state outcome reporting requirements. The SWITS software was selected and approved by the Board based on a selection process in 2005. The software developer, FEI.com, is the sole source for this maintenance agreement. The cost for this service is projected to remain unchanged from the FY 15-16 cost.

**Netsmart Technologies Inc. (564,000)** Ongoing development, support, and implementation of the AVATAR electronic health record for mental health services. The Avatar application was selected and approved by the Board in January of 2012 based upon a Statewide California Behavioral Health Systems coalition, comprised of 27 California Counties which reviewed 44 software products. The AVATAR system serves the function previously performed using the system provided by ECHO Management Group and will be used to submit claims to Medi-Cal and Medicare for services in FY 13-14 and beyond, and perform related clinical, accounting and reporting functions. The software developer, Netsmart, is the sole source for this maintenance agreement. Planned system enhancements and functionality improvements result in a projected cost increase of $29,500 (5.5 percent) from the FY 15-16 cost.

**Dimension Reports, LLC (39,500)** Web-based subscription service that is used to report transactional information related to Medi-Cal claims submitted by the department and processed through the California Department of Health Care Services (DHCS). The cost for this service is projected to remain unchanged from the FY 15-16 cost.
**Hearing Officers ($55,000)** Conduct hearings to determine if a mental health client will be placed on an involuntary 14-day hold (Welfare and Institutions Code Section 5256.1). To accommodate an expected increase in the number of clients requesting a hearing, the cost for this service is projected to increase by $30,000 (120 percent) from the FY 15-16 cost.

**Julie A. Kawahara ($24,375)** Provide consultation services to prepare community groups interested in reducing disparities in mental health services to respond to State initiatives that employ community-defined evidence programs. The cost for this service is unchanged from the FY 15-16 cost.

**Andrew J. Wong dba AJW, Inc. ($50,000)** Ongoing development, support, maintenance and consultation for the division’s assessment database. The CANS/ANSA tools link the assessment of client mental health to the design of an individual mental health services plan. The tools are consistent with the recovery model and aligned with the philosophy that consumers should be served in the community in the least restrictive environment possible. CANS/ANSA allows for individualized, culturally competent, consumer-driven, assessment and treatment planning. The Sonoma County Purchasing Agent has approved the Department’s request to rely on the competitive procurement process conducted by the San Francisco Department of Public Health, which awarded a CANS/ANSA data evaluation and monitoring software contract to AJW, Inc. The cost for this service is projected to remain unchanged from FY 15-16.

**Prior Board Actions:**

The Board annually authorizes the Director of Health Services to execute agreements for mental health and substance use disorder services and support services agreements for behavioral health services. Most recently, on June 16, 2015 the Board approved $36,401,841 for mental health and substance use disorder services and $2,222,975 for support services agreements for behavioral health services.

**Strategic Plan Alignment**  
Goal 1: Safe, Healthy, and Caring Community

The mental health and substance use disorder services provided by the Department’s network of community-based service providers promote the recovery and wellness of individuals suffering from mental illness and substance use disorders through specialty mental health services, advocacy, and education.

**Fiscal Summary - FY 15-16**

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**Narrative Explanation of Fiscal Impacts (If Required):**

The FY 16-17 proposed budget includes $38,159,285 for provider treatment services contracts and $2,404,875 for support service contracts, totaling $40,564,160 (an increase of $2,984,444, or 7.9% from the FY 15-16 budget).
percent, over FY 15-16). Of the total amount, $6,036,596 is for additional service area allocation, which provides additional contract authority for medically necessary behavioral health services from existing and not yet identified providers.

The Department anticipates receiving funding of $32,467,116 for mental health services and $8,097,044 for SUD services (total of $40,564,160). This funding provides $38,159,285 for provider treatment services contracts and $2,404,875 for support service contracts.

The mental health and substance use disorder treatment and support services contracts are funded by Medi-Cal/Federal Financial Participation, Mental Health Services Act, 1991 Mental Health Realignment, 2011 Behavioral Health Realignment, Federal Substance Abuse & Prevention Treatment (SAPT), various Substance Abuse and Mental Health Services Administration (SAMHSA) grants, Investment in Mental Health Wellness Act of 2013 grants, First 5 Sonoma County, Intergovernmental Transfer, reimbursements from other County departments, and approximately $2,000,000 in County General Funds which support substance use disorder services.

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**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

1) Mental Health and Substance Use Disorder Treatment Services Providers, 2) Mental Health and Substance Use Disorder Services Providers - Amount and Percent of Total for Each Provider, 3) Mental Health and Substance Use Disorder Services - Treatment and Support Services Contract Funding Sources - FY 16-17

**Related Items “On File” with the Clerk of the Board:**

None