



## Legislation Details (With Text)

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**File created:** 11/17/2023      **In control:** Board of Supervisors

**On agenda:** 1/9/2024      **Final action:** 1/9/2024

**Title:** Health and Human Services Agency (HHS) recommending the Board:  
1) Make findings that the provision of Residential Treatment services provided by Contractors are in the public's best interest and that there are specialty skills, qualifications, and equipment not expressly identified in County classifications involved in the performance of the work in accordance with El Dorado County Ordinance Code, Chapter 3.13.030(B);  
2) Make findings to waive the competitive bid process for the three specified Residential Treatment Agreements for Services (8091, 8092, 8093) in accordance with the County Procurement Policy C-17, Section 3.4.2(f), Exemption from Competitive Bidding, as the Providers of these Agreements possess critical knowledge, including the required staff, facilities, and level of care certifications and facility licenses, to ensure continuity of these mandated services;  
3) Authorize the Chair to execute Agreement for Services 8091 with Psynergy Programs, Inc., for the provision of Adult Residential Facility (ARF) services, in the amount of \$3,600,000, with a 36-month term, for the retroactive term start date of July 1, 2023, through June 30, 2026, with the option to extend for one additional one-year term through June 30, 2027, to ensure that HHS can meet the Department of Health Care Services (DHCS) required implementation date of this new agreement, in compliance with the California Advancing and Innovating Medi-Cal (CalAIM) contract change requirements for these services;  
4) Authorize the Chair to execute Agreement for Services 8092 with Compassion Pathways Behavioral Health LLC doing business as (DBA) Compassion Springs, for the provision of Social Rehabilitation Treatment Services (SRTS), in the amount of \$6,000,000, with a 36-month term, for the retroactive term start date of July 1, 2023, through June 30, 2026, with the option to extend for one additional one-year term through June 30, 2027, to ensure that HHS can meet the DHCS required implementation date of this new agreement, in compliance with the CalAIM contract change requirements for these services;  
5) Authorize the Chair to execute Agreement for Services 8093 with Compassion Valley LLC, for the provision of SRTS, in the amount of \$600,000, with a 36-month term, for the retroactive term start date of July 1, 2023, through June 30, 2026, with the option to extend for one additional one-year term through June 30, 2027, to ensure that HHS can meet the DHCS required implementation date of this new agreement, in compliance with the CalAIM contract change requirements for these services;  
6) Authorize the Purchasing Agent to execute amendments relating to these Residential Treatment Agreements, contingent upon approval by County Counsel and Risk Management, which do not increase the maximum dollar amounts or terms of the agreements; and  
7) Authorize the HHS Director, HHS Chief Assistant Director, or the HHS Behavioral Health Director to execute programmatic, administrative, and fiscal documents relating to these agreements.

**FUNDING:** Federal and State Funding: 36% Federal Medi-Cal, 54% Realignment, 10% Mental Health Services Act.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A- 8091 PE, 2. B- 8092 PE, 3. C- 8093 PE, 4. D- ARF Boilerplate CRS, 5. E- SRTS Boilerplate CRS, 6. F- Fillable-Non-Competitive-Bid-Justification - Psynergy - 8091, 7. G- Fillable-Non-Competitive-Bid-Justification - Compassion Springs 8092, 8. H- Fillable-Non-Competitive-Bid-Justification - Compassion Valley 8093, 9. I- Retro Memo, 10. Executed Agreement 8092, 11. Executed Agreement 8093, 12. Executed Agreement 8091

Date	Ver.	Action By	Action	Result
1/9/2024	1	Board of Supervisors	Approved	Pass

Health and Human Services Agency (HHS) recommending the Board:

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- 5) Authorize the Chair to execute Agreement for Services 8093 with Compassion Valley LLC, for the provision of SRTS, in the amount of \$600,000, with a 36-month term, for the retroactive term start date of July 1, 2023, through June 30, 2026, with the option to extend for one additional one-year term through June 30, 2027, to ensure that HHS can meet the DHCS required implementation date of this new agreement, in compliance with the CalAIM contract change requirements for these services;
- 6) Authorize the Purchasing Agent to execute amendments relating to these Residential Treatment Agreements, contingent upon approval by County Counsel and Risk Management, which do not increase the maximum dollar amounts or terms of the agreements; and
- 7) Authorize the HHS Director, HHS Chief Assistant Director, or the HHS Behavioral Health Director to execute programmatic, administrative, and fiscal documents relating to these agreements.

**FUNDING:** Federal and State Funding: 36% Federal Medi-Cal, 54% Realignment, 10% Mental Health Services Act.

**DISCUSSION / BACKGROUND:**

The Mental Health Plan (MHP) in each county is responsible for providing eligible Medi-Cal beneficiaries with mental health services. Medi-Cal is California's Medicaid program that provides public health insurance to low-income people, including families with children, seniors, persons with disabilities, foster care, pregnant women, and low-income individuals diagnosed with specific diseases to cover needed health care services. Beneficiaries become eligible for residential treatment services when an identified mental health condition has a significant impact on the individual's life functioning.

The HHS Behavioral Health Division (BHD) acts as the MHP for the County of El Dorado and thereby has the obligation to provide eligible residents with access to Adult Residential Facility (ARF) services or Social Rehabilitation Treatment Services (SRTS), in accordance with California Welfare and Institutions Code (WIC) Section 5600 et seq., 5775 et seq., 14000 et seq., and 17000 et seq. Adult residential treatment services support the movement of BHD Clients from restricted living environments to less restricted independent living in the community, through either an ARF or SRTS. To meet the demand for BHD Clients, the County contracts with facilities in and out of El Dorado County for ARF and SRTS residential placements; however, bed availability is limited, which may result in long wait times for client admissions.

Beginning in early 2023, DHCS developed program and payment reform across the Medi-Cal program, called the CalAIM initiative. CalAIM is the State's comprehensive plan to transform the Medi-Cal program and enable it to work more seamlessly with other social services. Under CalAIM, DHCS will add new programs and make important reforms to many existing Medi-Cal programs, including Residential Treatment Programs, to improve the quality of life and health outcomes of Medi-Cal eligible individuals.

CalAIM is transitioning Mental Health programs from a cost-based reimbursement model to a fee-for-service-based reimbursement model. DHCS established July 1, 2023, as the California counties' deadline for achieving said documentation and payment reforms. Consequently, as HHS BHD contracts with multiple licensed providers to deliver the adult residential treatment services for County residents, all of the existing ARF and SRTS contracts require new CalAIM contract language and new Medi-Cal billing rates, resulting in new agreements to be developed by this deadline.

In April 2023, HHS BHD received boilerplate template and new Medi-Cal reimbursement rates from the State and has diligently worked to review and implement these changes to create new service agreements with the providers of these services to meet this due date.

The adult residential treatment County Agreements impacted by CalAIM, that required renewal agreements to be developed and retroactively executed by July 1, 2023, are as follows:

1. Psynergy Programs, Inc., Agreement 8091 is the renewal of Agreement 4738 for ARF services which was terminated effective June 30, 2023, due to CalAIM requirements, approved by the Board on June 23, 2020 (File ID 20-0347);
2. Compassion Pathways Behavioral Health LLC DBA Compassion Springs, Agreement 8092 is the renewal of Agreement 6370 for SRTS services which was terminated effective June 30, 2023, due to CalAIM requirements, approved by the Board on April 12, 2022 (File ID 22-0263);
3. Compassion Valley LLC, Agreement 8093 is the renewal of Agreement 6093 for SRTS services which was terminated effective June 30, 2023, due to CalAIM requirements, approved by the Board on November 9, 2021 (File ID 21-1666).

Due to DHCS' mandate for CalAIM implementations coupled with the short turn-around time frame to meet July 1, 2023, targeted date, HHS BHD is recommending the Board authorize the Chair to execute these renewal agreements. As a result of the CalAIM implementation timeline requirement, HHS BHD is requesting the Board authorize the retroactive start date for these CalAIM-impacted agreements. These agreements ensure compliance with all Federal and State requirements and will continue to uphold parameters such as consistency in service delivery expectations, performance measures and outcomes, productivity, and funding.

ARF and SRTS services require a specialized skill set and treatment approach and are not effectively remediated by a general provider in the field of mental health. Consequently, to ensure continuity of services among the existing providers who possess the qualified staffing and Drug Medi-Cal certified facilities to provide these services, HHSA, in concurrence with the County Chief Administrative Office Contracts and Procurement Division, is requesting the Board approve the non-competitive bid exemption for these agreements in accordance with County's Procurement Policy C-17, Section 3.4.2(f).

**ALTERNATIVES:**

Should the Board decline to approve these recommendations, HHSA would not have providers under contract to provide the mandated adult residential treatment services. Consequently, HHSA would not fulfill the obligations required of serving as the MHP and will be out of compliance with the County's responsibilities as the MHP and with the State's new CalAIM requirements.

**PRIOR BOARD ACTION:**

- 1) 06/23/20, 20-0347, HHSA Psynergy Programs, Inc., 4738
- 2) 11/9/21, 21-1666, HHSA Compassion Valley 6093
- 3) 01/19/22, 22-0157, HHSA CalAIM Presentation
- 4) 04/12/22, 22-0263, HHSA Compassion Pathway Behavioral Health, 6370

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

County Counsel, Risk Management, Chief Administrative Office Procurement and Contracts Division. The Auditor-Controller was notified of these agreements in accordance with Policy B-12.

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

There is no General Fund cost associated with this Agenda item. Sufficient appropriations were included for Federal Medi-Cal, Realignment, and MHSA in the Fiscal Year 2023-24 Budget and will be included in future budgets for the term of the agreements.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Clerk of the Board to obtain signature of Chair on Agreements for Services 8091, 8092, and 8093.

**STRATEGIC PLAN COMPONENT:**

Healthy Communities

**CONTACT**

Olivia Byron-Cooper, Director, Health and Human Services Agency