



# County of El Dorado

330 Fair Lane, Building A  
Placerville, California  
530 621-5390  
FAX 622-3645  
www.edcgov.us/bos/

## Legislation Details (With Text)

**File #:** 10-0184      **Version:** 1

**Type:** Agenda Item      **Status:** Approved

**File created:** 2/19/2010      **In control:** Board Of Supervisors

**On agenda:** 3/23/2010      **Final action:** 3/23/2010

**Title:** Health Services Department recommending the Board authorize the Chair to sign amendments to two agreements with Progress House, Inc. for Offender Treatment Program (OTP) services as follows:  
 1) Amendment 2 to Agreement 610-PHD0507 (421-S0811) increasing the not-to-exceed amount by \$7,024.07 to \$102,024.07 for the term July 1, 2007 through November 30, 2007; and  
 2) Amendment 3 to Agreement 683-PHD1107 (560-S0811) increasing the not-to-exceed amount by \$6,092.61 to \$86,411.69 for the term December 1, 2007 through June 30, 2008.

**FUNDING:** California Department of Alcohol/Drug Programs (CDADP) - Offender Treatment Program (OTP).

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A - Blue sheet A2 610-PHD0507, 2. B - A2, 610-PHD0507, 3. C - Blue Sheet A3 683-PHD1107, 4. D - A3, 683-PHD1107, 5. E - 610-PHD0507, 6. F - 683-PHD1107

Date	Ver.	Action By	Action	Result
3/23/2010	1	Board Of Supervisors	Approved	Pass

Health Services Department recommending the Board authorize the Chair to sign amendments to two agreements with Progress House, Inc. for Offender Treatment Program (OTP) services as follows:

- 1) Amendment 2 to Agreement 610-PHD0507 (421-S0811) increasing the not-to-exceed amount by \$7,024.07 to \$102,024.07 for the term July 1, 2007 through November 30, 2007; and
- 2) Amendment 3 to Agreement 683-PHD1107 (560-S0811) increasing the not-to-exceed amount by \$6,092.61 to \$86,411.69 for the term December 1, 2007 through June 30, 2008.

**FUNDING:** California Department of Alcohol/Drug Programs (CDADP) - Offender Treatment Program (OTP).

BUDGET SUMMARY:		
Total Estimated Cost		\$13,116.68
Funding		
Budgeted	\$13,116.68	
A-2, 610-PHD0507	\$7,024.07	
A-3, 683-PHD1107	\$6,092.61	
Other	\$	
Total Funding Available	\$13,116.68	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: There is no Net County Cost associated with these Amendments. These services are funded by CDPH OTP.

Background:

1. Treatment Service Provider Agreements: The Health Services Department (HSD), through its Alcohol and Drug Program contracted with Progress House to provide OTP treatment services via Agreement 610-PHD0507 for the term 7/1/07 through 11/30/07. During this time, Progress House provided treatment services for more clients than anticipated and at the end of the term of this agreement, HSD identified that due to the number of clients treated, the invoiced amount for services exceeded the not-to-exceed of the Agreement by \$7,024.07. HSD staff attempted to correct this by adding language to the subsequent Agreement 683-PHD1107 (term 12/1/07 through 6/30/08) stating that services had been provided in the prior term that exceeded the anticipated volume and \$7,000 was included as a line item in the not-to-exceed for the subsequent Agreement 683-PHD1107.

During the course of the subsequent Agreement 683-PHD1107, again more clients were provided services than anticipated, and the not-to-exceed amount of the Agreement was adjusted to accommodate these additional services. However, in the course of this adjustment, the outstanding amount of \$7,000 that was related to the prior Agreement 610-PHD0507 was not included in the calculation for the adjustment; therefore, the not-to-exceed fell short of the overall invoiced amounts.

At the end of the term of the subsequent Agreement 683-PHD1107, it was further determined that the provider had received even more client referrals than anticipated and this Agreement also required adjustment in the amount of \$6,092.61.

The shortfall related to the first Agreement 610-PHD0507 is \$7,024.07 and for the second Agreement 683-PHD1107 is \$6,092.61 for a total combined shortfall of \$13,116.68 for both Agreements.

2. State Reimbursement Procedures: Historically, State-funded Alcohol and Drug Programs are invoiced based on actual expenditures (i.e., a provider invoices the County, County pays the provider, and then invoices the State for actual expenditures). However, the Offender Treatment Program required the County to invoice the State for services rendered instead of actual expenditures (i.e., provider invoices County, County invoices State based on services rendered and billed to County by provider, and County subsequently pays provider). This departure from standard practice became apparent during FY 2007-08 and the Department received clear instruction from the State that it is *required* to report based on services rendered by provider. Therefore, the Department transitioned from invoicing the State based on actual OTP expenditures booked in the County's financial system, to services rendered by provider.

As a result of this State-required reporting and reimbursement process for OTP, the Department has received funds from the State for all services rendered pursuant to Agreements 610-PHD0507 and 683-PHD1107 and currently holds the \$13,116.68 pending these contract amendments which are necessary for the County to pay the provider. **If these funds are not disbursed to the provider for services rendered, the County must return the funds to the State.**

Reason for Recommendation: The Department recommends that the Board approve amending Agreements 610-PHD0507 and 683-PHD1107 so these monies may be appropriately paid to the service provider for client services that were provided in good faith.

Retroactive: Both amendments are retroactive to FY 2007-08. Although the Department attempted to correct the issues during that timeframe, factors as noted above prevented resolution of the issues. At this time, the Department has fully reviewed and determined the factors involved in this situation as outlined above and has worked with County Counsel to determine an acceptable approach to amending these and future contracts.

Action to be taken following Board approval:

1. Chair to sign three (3) Amendments 2 to Agreement 610-PHD0507, and three (3) Amendments 3 to Agreement 683-PHD1107.
2. Board clerk to return two (2) signed Amendments 2 to Agreement 610-PHD0507, and two (2) signed Amendments 3 to Agreement 683-PHD1107 to Department.
3. Department to process amendments as appropriate.

Contact: Kathy Lang

Concurrences: County Counsel & Risk Management