



## Legislation Text

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**File #:** 22-0840, **Version:** 1

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

- 1) Make findings that the provision of Drug Medi-Cal Organized Delivery System Services provided by Aegis Treatment Centers, LLC 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), El Dorado County Charter, Section 210(b)(6), and/or Government Code Section 31000;
- 2) Approve and authorize the Chair to sign Amendment II to Agreement for Services 5348 with Aegis Treatment Centers, LLC, to increase compensation by \$765,000, from \$860,000, for a new maximum obligation of \$1,625,000, and extending the term by one year, through June 30, 2024; and
- 3) Authorize the HHS Director, or Director of Behavioral Health, contingent upon County Counsel and Risk Management approval, to execute further documents relating to Agreement for Services 5348, including amendments which do not increase the maximum dollar amount or term of the Agreement.

**FUNDING:** 75% Federal Medi-Cal, 8% State Medi-Cal, 17% 2011 Realignment.

### **DISCUSSION / BACKGROUND:**

The Drug Medi-Cal Organized Delivery System (DMC-ODS) provides a continuum of care modeled after the American Society of Addiction Medicine Criteria for substance use disorder treatment services. DMC-ODS enables more local control and accountability, provides greater administrative oversight, and it creates utilization controls to improve care and efficient use of resources. Counties that participate in DMC-ODS implement evidenced based practices in substance abuse treatment and coordinate across other systems of care, contracting with local service providers to support residents' needs. This approach is intended to provide the beneficiary with access to the care and system interaction needed in order to achieve sustainable recovery. DHCS initially received approval in August 2015 from the Centers for Medicare & Medicaid Services (CMS) to implement the DMC-ODS through the State's prior Section 1115 demonstration.

Prior to the DMC-ODS, Drug Medi-Cal benefits included:

- 1) Outpatient services;
- 2) Intensive outpatient services;
- 3) Narcotic Treatment Program services; and
- 4) Residential treatment services for perinatal population.

Now, as a result of the DMC-ODS Waiver additional services include:

- 1) Residential Treatment services for eligible Medi-Cal beneficiaries of all ages with multiple levels of care;
- 2) Withdrawal Management services through DMC-ODS; and
- 3) Recovery Services, Case Management, Physician Consultation, Additional Medication-Assisted Treatment, and Partial Hospitalization benefits are provided through DMC-ODS.

In accordance with the requirements of the DMC-ODS Funding Agreements, counties that have "opted in" to the Federal 1115 Waiver for DMC-ODS must comply with 42 Code of Federal Regulations (CFR) Section 438.207 and maintain a network of providers that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of beneficiaries in the service area.

On May 23, 2017 (File ID: 17-0525), the Board authorized the Health and Human Services Agency (HHSA) to opt in to the Federal 1115 Waiver for a DMC-ODS. Since that time HHSA has developed service agreements with providers to provide substance use disorder (SUD) services for County clients in accordance with the terms and conditions of the DMC-ODS agreement between the Department of Health Care Services (DHCS) and County of El Dorado (County).

The County's DMC-ODS is a managed care plan defined under 42 Code of Federal Regulations (CFR) Section 438.2 as a Prepaid Inpatient Health Plan (PIHP). As a PIHP delivering Medicaid services, the County and its network of contracted providers must adhere to Medi-Cal Managed Care laws and regulations governed by the Center for Medicare & Medicaid Services. These regulations include many requirements designed to ensure that Drug Medi-Cal (DMC) eligible adults and adolescents residing in the County receive high quality services without barriers to access.

On April 30, 2019 (File ID: 19-0525), the Board approved Funding Agreement 18-95146 with the California Department of Health Care Services (DHCS), which allowed the County to move forward with the DMC-ODS Waiver plan and begin contracting with Drug Medi-Cal (DMC) certified service providers. By opting in to participate in this program, the County is obligated to establish sufficient capacity to meet the needs of the target population. Subsequently, on September 21, 2021 (File ID: 21-1360), the Board approved the renewal Funding Agreement 21-10027 with DHCS for the provision of DMC-ODS services, which included the same terms and requirements as DHCS Funding Agreement 18-95146.

On June 29, 2021 (File ID: 21-0507), the Board approved Agreement for Services 5348 with Aegis Treatment Centers, LLC (Aegis), resulting from RFQ 19-918-004, for the provision of Narcotic Treatment Program services to El Dorado County beneficiaries for the period of July 1, 2021 through June 30, 2023, and ensured compliance with all federal and state DMC-ODS requirements to uphold parameters, such as consistency in service delivery expectations, performance measures and outcomes, productivity, and funding. Amendment I to Agreement for Services 5348 with Aegis, was signed by the HHSA Director with Board delegated signature authority, to update the associated Intergovernmental Agreement.

This proposed Amendment II to Agreement for Services 5348 with Aegis is necessary to increase the compensation by \$765,000 for the maximum obligation of \$1,625,000 for anticipated services over the term of the Agreement and to extend the term through June 30, 2024, to line up with the term of the associated Intergovernmental Agreement.

Competitive bidding requirements were met in accordance with the County of El Dorado Board of Supervisors Policy C-17, as a result of the HHSA initiated Request for Qualifications (RFQ) 19-918-004, which closed on March 26, 2021, to ensure standardized service agreements for DMC-ODS providers that meet the requirements of the DMC-ODS funding and to meet network adequacy requirements.

**ALTERNATIVES:**

Should the Board decline to approve this Amendment II to Agreement 5348, HHSA would be unable to fully provide mandated and medically necessary services for Medi-Cal Beneficiaries, resulting in HHSA being out of compliance with the Intergovernmental Funding Agreement for DMC-ODS services.

**PRIOR BOARD ACTION:**

- 1) 05/23/17, 17-0525, Approved participation in the DMC-ODS Waiver plan.
- 2) 04/30/19, 19-0525, Approved DMC-ODS Intergovernmental Funding Agreement
- 3) 06/29/21, 21-0507, Approved Agreement 5348
- 4) 09/21/21, 21-1360, Approved DHCS Funding Agreement 21-10027

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

Approved by County Counsel, Human Resources, and Risk Management. The Auditor-Controller has been notified, pursuant to Board Policy B-12 Fiscal Review Process.

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

The agreement is funded by Federal Medi-Cal with matched funding from 2011 Behavioral Health Realignment and State General Fund for Narcotic Treatment Program services. Sufficient appropriations were included in the Fiscal Year 2022-23 budget and will be included in future budgets for the term of the Agreement.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Clerk of the Board to obtain signature of Chair on one (1) original Amendment II to Agreement for Services 5348.

**STRATEGIC PLAN COMPONENT:**

- 1) Public Safety: Protects the community, prevents crime, enforces the law, administers justice, provides rehabilitative services, and promptly responds to emergency and calls for service; and
- 2) Healthy Communities: Improved health, well-being, and self-sufficiency of El Dorado County communities, residents, and visitors.

**CONTACT**

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