



## Legislation Text

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**File #: 23-1370, 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 (DMC-ODS) services provided by the 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) Award a proposal received in response to Request for Proposal 22-952-042 to Granite Wellness Centers, Inc., identified as qualified by the evaluation panel, to provide DMC-ODS Residential Treatment services to adult clients;
- 3) Approve and authorize the Chair to sign the competitively bid Agreement for Services 7906 with Granite Wellness Centers, Inc., for the provision of DMC-ODS Residential Treatment Services, in the amount of \$2,841,732, for the term of three years with a retroactive start date of July 1, 2023, through June 30, 2026, to ensure that HHS can meet the California Department of Health Care Services (DHCS) required implementation date of this new agreement;
- 4) Make findings to waive the competitive bid process for three specified DMC-ODS HHS Agreements over \$100,000 in accordance with County's Procurement Policy Section 3.4.2(f), Exemption from Competitive Bidding, as these Providers (Bi-Valley Medical Clinic, Inc., doing business as BAART Programs Carmichael; Aegis Treatment Centers; and Wellspace Health) possess critical knowledge, including the required staff, facilities, level of care certifications and facility licenses, to ensure continuity of these mandated services;
- 5) Approve and authorize the Chair to sign Agreement for Services 7910 with Bi-Valley Medical Clinic, Inc., doing business as BAART Programs Carmichael for the provision of DMC-ODS services, in the amount of \$120,000, for the term of three years with a retroactive start date of July 1, 2023, through June 30, 2026, to ensure that HHS can meet the DHCS required implementation date of this new agreement;
- 6) Approve and authorize the Chair to sign Agreement for Services 7905 with Aegis Treatment Centers, LLC for the provision of DMC-ODS services, in the amount of \$2,475,000, for the term of three years with a retroactive start date of July 1, 2023, through June 30, 2026, to ensure that HHS can meet the DHCS required implementation date of this new agreement
- 7) Approve and authorize the Chair to sign Agreement for Services 7904 with Wellspace Health for the provision of DMC-ODS services, in the amount of \$1,965,000, for the term of three years with a retroactive term start date of July 1, 2023, through June 30, 2026, to ensure that HHS can meet the California Department of Health Care Services (DHCS) required implementation date of this new agreement;
- 8) Approve and authorize the Chair to sign the competitively bid Agreement for Services 7907 with Recover Medical Group, P.C., for the provision of DMC-ODS Outpatient and Intensive Outpatient services, in the amount of \$900,000, for the term of three years with a retroactive start date of July 1, 2023, through June 30, 2026, to ensure that HHS can meet the DHCS required implementation date of this new agreement;
- 9) Approve and authorize the Chair to sign the competitively bid Agreement for Services 7909 with Shamanic Living Center, dba Recovery In Action for the provision of DMC-ODS services, in the

amount of \$1,500,090, for the term of three years with a retroactive start date of July 1, 2023, through June 30, 2026, to ensure that HHSA can meet the DHCS required implementation date of this new agreement;

10) Authorize the Purchasing Agent to execute amendments relating to these agreements, contingent upon approval by County Counsel and Risk Management, which do not increase the maximum dollar amounts or terms of the agreements; and

11) Authorize the HHSA Director or the HHSA Behavioral Health Director to execute programmatic, administrative, and fiscal documents relating to these Agreements.

**FUNDING:** Federal Medicaid, Federal Substance Abuse Prevention and Treatment Block Grant (SABG), 2011 Realignment Drug Medi-Cal Organized Delivery Services (DMC-ODS), State General Fund, and California Assembly Bill (AB) 109 Treatment funds, available pursuant to Title XIX of the Social Security Act and Medicaid State Plan.

**DISCUSSION / BACKGROUND:**

On May 23, 2017, the Board authorized the County to “opt in” to the Federal 1115 Waiver for a DMC-ODS (File ID: 17-0525). By opting in to participate in this program, the County is obligated to establish sufficient capacity to meet the needs of the target population.

On April 30, 2019, the Board of Supervisors (Board) approved DMC-ODS Funding Agreement 18-95146 with the 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 (File ID: 19-0525). Subsequently, on September 21, 2021, the Board approved the renewal of this funding under 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 (File ID 21-1360).

In accordance with the requirements of the DMC-ODS Agreement, the County 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.

Beginning in early 2023, DHCS developed program and payment reform across the Medi-Cal program, called the California Advancing and Innovating Medi-Cal (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 DMC-ODS Substance Use Disorder (SUD) and Residential Treatment Programs, to improve the quality of life and health outcomes of Medi-Cal eligible individuals.

CalAIM is transitioning DMC-ODS and 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 HHSA BHD contracts with multiple licensed providers to deliver most of the DMC-ODS services for County residents, all of the existing DMC-ODS service contracts required new CalAIM contract language and new Medi-Cal billing rates, resulting in new agreements to be developed by this deadline.

In April 2023, HHSA BHD received a revised DMC-ODS contract boilerplate template and new Medi-Cal reimbursement rates from the State and has diligently worked to review and implement these

changes to create new provider agreements to meet this due date.

The six (6) following County providers have existing DMC-ODS agreements in place that were impacted by the CalAIM reforms, which required new agreements with updated CalAIM language and payment measures to be developed and retroactively executed by the July 1, 2023, timeline.

1. Wellspace Health (Wellspace) - Under new Agreement 7904, Wellspace will deliver mandated residential services to El Dorado County beneficiaries, in adherence with the directed CalAIM changes. Once fully executed, this new agreement will replace the existing Wellspace Agreement 5376.
2. Aegis Treatment Centers, LLC (Aegis) - Under new Agreement 7905, Aegis will deliver mandated Narcotic Treatment Program services to El Dorado County, in adherence with the directed CalAIM changes. Once fully executed, this new agreement will replace the existing Aegis Agreement 5348.
3. Granite Wellness Centers, Inc., (Granite) - Under new Agreement 7906, Granite will provide mandated residential services to El Dorado County beneficiaries, in adherence with the directed CalAIM changes. Once fully executed, this new agreement will replace the existing Granite Agreement 5398.
4. Recover Medical Group, P.C.(Recover) - Under new Agreement 7907, Recover will provide mandated adult and youth outpatient services to El Dorado County youth and adult beneficiaries, in adherence with the directed CalAIM changes. Once fully executed, this new agreement will replace the existing Recover Agreement 7107.
5. Shamanic Living Center dba Recovery in Action (RIA) - Under new Agreement 7909, RIA will provide mandated DMC-certified adult outpatient services to El Dorado County adult beneficiaries, in adherence with the directed CalAIM changes. Once fully executed, this new agreement will replace the existing RIA Agreement 6527.
6. Bi-Valley Medical Clinic, Inc., doing business as BAART Programs Carmichael (BAART) - Under new Agreement 7910, BAART will provide mandated Narcotic Treatment Program services to El Dorado County beneficiaries, in adherence with the directed CalAIM changes. Once fully executed, this new agreement will replace the existing BAART Agreement 5398.

#### New Agreement's Competitive Bid History

On October 29, 2021, the Chief Administrative Office (CAO) Procurement and Contracts (P&C) Division, released Request for Proposal (RFP) 22-952-009 to solicit providers for DMC-ODS Substance Use Disorder Services. This RFP was posted to solicit multiple providers through October 31, 2022. On April 19, 2022, the Board approved an initial award of RFP 22-952-0009 to Recovery In Action, to provide DMC-ODS Level 1.0 Outpatient and 2.1 Intensive Outpatient services (File ID: 22-0553).

On April 15, 2022, the CAO P&C Division, released RFP 22-952-042 to solicit multiple DMC-certified residential treatment providers for youth and adult clients. A proposal was received by Granite on July 13, 2022, that met the eligibility requirements of the RFP to provide adult Residential Treatment services. This proposal was evaluated by a panel of three (3) evaluators that determined that Granite was qualified to perform these services. As a result of the RFP evaluative process, HHS

recommends the Board approve of the award for DMC-ODS services agreement with Granite for a 3-year term.

Subsequently, on August 30, 2022, the Board approved a second award of RFP 22-952-009 to Recover Medical Group to provide DMC-ODS Level 1.0 Outpatient and 2.1 Intensive Outpatient services (File ID: 22-1351).

#### Non-Competitive Bid Agreement Justification

Under the County of El Dorado Board of Supervisors Procurement Policy C-17 Section 3.4, HHSA recommends, with El Dorado County Chief Administrative Office Procurement and Contracts Division concurrence, that competitive bidding requirements be waived for exemption reason (2(f)) “the procurement is for goods/services where the continuity of providers will provide efficiency or critical knowledge, and other providers cannot provide similar efficiencies, critical knowledge, licensed/certified, DMC licensure and facilities.”

These proposed Agreements will ensure compliance with all Federal, CalAIM, and State requirements and will continue to uphold parameters such as consistency in service delivery expectations, performance measures and outcomes, productivity, and funding. HHSA is recommending the Board approve these agreements and the retroactive start date in alignment with the CalAIM implementation requirement.

#### **ALTERNATIVES:**

Should the Board decline to approve of these recommendations, HHSA will be unable to meet the DMC-ODS needs of the community and will result in HHSA being out of compliance with the DMC-ODS Waiver Plan and CalAIM requirements.

#### **PRIOR BOARD ACTION:**

- 1) 05/16/23, 23-0720, HHSA Wellspace Health Amendment I to Agmt 5376
- 2) 04/18/23, 23-0596, HHSA BAART Carmichael DMC-ODS Amendment 1, Agmt 5863
- 3) 02/21/23, 22-2112, HHSA Recover Medical Group Agmt 7107
- 4) 01/24/23, 22-0840, HHSA Aegis Agreement 5348 A2
- 5) 08/30/22, 22-1351, HHSA Request to Award RFP No. 22-952-009, DMC-ODS Outpatient Treatment Services to Recover
- 6) 08/23/22, 22-1286, HHSA Granite Wellness Agreement 5398, AMD 1
- 7) 07/26/22, 22-0976, HHSA Recovery In Action 6527
- 8) 04/19/22, 22-0553, HHSA Request to Award RFP No. 22-952-009, DMC-ODS Outpatient Treatment Services to RIA
- 9) 01/04/22, 21-1518, Approved HHSA BAART Carmichael DMC-ODS Agmt 5863
- 10) 09/21/21, 21-1360, DMC-ODS Interdepartmental Funding Agreement 21-10027
- 11) 06/29/21, 21-0507, HHSA Aegis Treatment Centers DMC-ODS Agmt 5348
- 12) 06/29/21, 21-0504, HHSA Wellspace Health DMC-ODS Agmt 5376
- 13) 06/29/21, 21-0505, Granite DMC-ODS Agreement 5398
- 14) 07/23/19, 19-0811, HSHA DMC-ODS Boilerplates
- 15) 04/30/19, 19-0525, DMC-ODS Interdepartmental Funding Agreement
- 16) 05/23/17, 17-0525, Approved participation in the DMC-ODS Waiver plan

#### **OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

Chief Administrative Office Procurement and Contracts Division, County Counsel and Risk

Management. The Auditor-Controller has been notified in accordance with Board Policy B-12.

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

There is no Net County Cost associated with the Agenda item. Sufficient appropriations for the DMC-ODS program for Federal Medicaid, Behavioral Health Realignment, and State General Funds are included in the current Fiscal Year (FY) 2023-24 Budget and will be included in subsequent FY budgets, upon approval of the Agreements.

**CLERK OF THE BOARD FOLLOW UP ACTIONS:**

Clerk of the Board to obtain the Chair's signature on Agreement for Services 7904, 7905, 7906, 7907, 7909 and 7910.

**STRATEGIC PLAN COMPONENT:**

Healthy Communities, Improved Health, Well-being, and Self-sufficiency of El Dorado County communities, residents, and visitors.

**CONTACT**

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