



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 12/16/2025

To: County of Sonoma Board of Supervisors

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

Staff Name and Phone Number: Nolan Sullivan, 707-565-4774; Jan Cobaleda-Kegler, 707-565-5157

Vote Requirement: 4/5th

Supervisorial District(s): Countywide

Title:

New Life Health Authority dba New Life, LLC Agreement

Recommended Action:

- A) Authorize the County Executive Officer, or designee, to execute an Intergovernmental Transfer Agreement with New Life Health Authority dba New Life, LLC, with a term of January 1, 2025, through June 30, 2028.
- B) Authorize the County Executive Officer, or designee, to execute an agreement with New Life Health Authority dba New Life, LLC for Substance Use Disorder Narcotic Treatment Program services (including Outpatient Drug Free and Intensive Outpatient Treatment services) for a term of January 1, 2025, through June 30, 2028, in an amount not to exceed \$2,275,000.
- C) Authorize the County Executive Officer, or designee, to execute modifications to the agreements that address changes in service needs, payment or reimbursement methodologies, subject to available funding as well as review and approval by County Counsel.
- D) Adopt a resolution delegating authority to the Director of Health Services, or designee, to accept funding allocations for the County of Sonoma as necessary to receive revenue from New Life Health Authority dba New Life, LLC associated with the agreement included in Recommended Action A above.
- E) Adopt a resolution authorizing budgetary adjustments to the Department of Health Services Fiscal Year 2025-2026 Adopted Budget, increasing appropriations in the amount of \$225,000 to support Drug Medi-Cal-certified Indian Health Care Providers serving county residents, including providers located outside county boundaries funded through Federal Financial Participation. (4/5th Vote Required)

Executive Summary:

Sonoma County Department of Health Services, under its Drug Medi-Cal Organized Delivery System contract with the California Department of Health Care Services, is required to contract with any Drug Medi-Cal-certified Indian Health Care Provider serving county residents, including those located outside county boundaries. The Department of Health Services cannot exercise selective contracting and must reimburse Indian Health Care Providers for covered services delivered to Medi-Cal beneficiaries, including American Indian/Alaska Native individuals.

New Life Health Authority, a Tribal 638 clinic operating as New Life, LLC, in Ukiah, is currently providing Drug Medi-Cal services, including Narcotic Treatment Program services to several Sonoma County beneficiaries. As

the only Tribal 638 Narcotic Treatment Program provider in the region, New Life Health Authority dba New Life, LLC fills a critical gap in access to culturally responsive substance use disorder treatment.

This partnership also presents a fiscal advantage: The Pinoleville Pomo Nation will fund the non-federal share via Intergovernmental Transfer, allowing the County to draw down federal matching funds without using County general or realignment funds. Entering into this agreement enables compliance with federal and state requirements, expands access to high-need services, and strengthens Tribal health partnerships at no cost to the County.

Discussion:

Sonoma County's Drug Medi-Cal Organized Delivery System (DMC-ODS) contract with the California Department of Health Care Services (DHCS) requires the Department of Health Services (hereinafter referred to as "DHS" or "the Department") to enter into agreements with Indian Health Care Providers (IHCPs) that are DMC-certified and provide services to Sonoma County residents. This requirement is outlined in Attachment 2 - Behavioral Health Information Notice (BHIN) 23-027: Obligations Related to Indian Health Care Providers for DMC Counties.

To receive reimbursement from a DMC-ODS county or the State for DMC-ODS services, an IHCP must be both enrolled as a DMC-ODS provider and be certified by DHCS prior to delivering services-except in the case of eligible out-of-state providers. DMC-ODS counties are not permitted to engage in selective contracting. Therefore, any IHCP that is DMC-ODS-certified and willing to contract with a DMC-ODS county must be allowed to do so, regardless of whether the provider is located within or outside of the county.

Additionally, DMC-ODS counties are required to reimburse any DMC-ODS-enrolled provider that submits a claim for covered services provided to beneficiaries-including American Indian/Alaska Native individuals-residing within the county, regardless of the provider's physical location. While reimbursement must occur through a contract or agreement, beneficiaries may access services from non-contracted DMC-ODS-enrolled IHCPs. In such cases, the County is obligated to enter into either a full contract or a single service agreement with the IHCP to ensure that the claim is processed and reimbursed.

Currently, several Sonoma County beneficiaries are receiving services through New Life Health Authority dba New Life, LLC., an IHCP based in Ukiah. Therefore, the County is required to enter into a contract with New Life Health Authority dba New Life, LLC and reimburse them for services rendered.

In this case, the Pinoleville Pomo Nation, via New Life LLC, will fund the non-federal share (traditionally paid by the County using Realignment funds, Measure O, General Fund, etc.) for federal claiming purposes. This will be done through an Intergovernmental Transfer to the County. The County will then submit DMC-ODS claims, draw down federal funds, and return both the Intergovernmental Transfer and federal share to the Pinoleville Pomo Nation.

DHS intends to expand access to Substance Use Disorder treatment services for Medi-Cal beneficiaries, with particular emphasis on serving Tribal members. Persons identifying as American Indian or mixed race with American Indian comprise about 4 percent of substance use disorder treatment episodes (Sonoma County CalOMS treatment data June 2023 - December 2024). While this is a significant subset of Sonoma County treatment episodes, there are zero contracted IHCPs providing Drug Medi-Cal treatment to Sonoma County residents.

New Life Health Authority dba New Life, LLC, operates the New Life Clinic and provides:

- Intensive Outpatient Treatment services
- Outpatient Drug-Free services
- Narcotic Treatment Program services

These services are available to both Tribal and non-Tribal beneficiaries through their Tribal Compact Clinic designation. These facilities, also known as 638 contract or compact health centers, are operated by Tribes, Tribal Organizations, or Urban Indian Health Centers, and focus on providing culturally appropriate outpatient care for American Indians and Alaska Natives.

The authority for these contracts stems from the Indian Self-Determination and Education Assistance Act of 1975 (P.L. 93-638), which allows federally recognized Indian Tribes to contract for and operate certain federal programs.

As a DMC-ODS provider, DHS is required to ensure that Narcotic Treatment Program services are available to all Medi-Cal beneficiaries. Narcotic Treatment Programs are considered an entitlement service, which means prior authorization by the County or clinic is not required. Because beneficiaries are entitled to choose their Narcotic Treatment Program provider, DHS cannot deny reimbursement or limit access to qualified providers. As a result, this contract-and the services it covers-is exempt from the competitive bidding process.

Importantly, New Life Health Authority dba New Life, LLC is currently the only Tribal 638 Narcotic Treatment Program provider across Sonoma, Lake, and Mendocino counties, making this partnership a critical resource for the region.

One of the key benefits of contracting with Tribal 638 Clinics is the 100% reimbursement of services provided to Medi-Cal-eligible Tribal members, funded entirely through state and federal dollars. The rate sheet referenced in the contract aligns with the Office of Management and Budget encounter rate, which may be updated periodically. See Attachment 3 - DHCS All Plan Letter 17-020 for additional guidance on the Office of Management and Budget rate and managed care plan responsibilities.

The service agreement with New Life, LLC will span three and a half years, with a not-to-exceed amount of \$2,275,000, with \$325,000 in FY 2024-2025, and \$650,000 per fiscal year in FY 2025-2026, FY 2026-2027, and FY 2027-2028.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 1: Expand integrated system of care to address gaps in services to the County's most vulnerable.

Objective: Objective 3: Create a "no wrong door" approach where clients who need services across multiple departments and programs are able to access the array of services needed regardless of where they enter the system.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

None

FISCAL SUMMARY

Expenditures	FY 25-26 Adopted	FY 26-27 Projected	FY 27-28 Projected
Budgeted Expenses	\$500,000	\$650,000	\$650,000
Additional Appropriation Requested	\$225,000		
Total Expenditures	\$725,000	\$650,000	\$650,000
Funding Sources			
General Fund/WA GF			
State/Federal	\$362,500	\$325,000	\$325,000
Fees/Other	\$362,500	\$325,000	\$325,000
Use of Fund Balance			
General Fund Contingencies			
Total Sources	\$725,000	\$650,000	\$650,000

Narrative Explanation of Fiscal Impacts:

The Department of Health Services (DHS) requests an increase in appropriations from \$500,000 to \$725,000, resulting in an additional \$225,000 for Fiscal Year 2025-2026. This amount will be supported with matching funds from New Life in the amount of \$112,500 to provide the Intergovernmental Transfer (IGT) necessary to leverage Federal Financial Participation (FFP) of \$112,500.

Future fiscal year funding will be incorporated into the annual budget process, with projected appropriations of \$650,000 for each of Fiscal Years 2026-2027 and 2027-2028.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment 1 - Budget Resolution

Attachment 2 - Revenue Resolution

Attachment 3 - Behavioral Health Information Notice 23-027

Agenda Date: 12/16/2025

Attachment 4 - Draft Intergovernmental Transfer Agreement

Attachment 5 - Draft Professional Services Agreement

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

None