



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 10/22/2024

To: County of Sonoma Board of Supervisors
Department or Agency Name(s): Department of Health Services
Staff Name and Phone Number: Jennifer Solito, 707-565-7901
Vote Requirement: 4/5th
Supervisorial District(s): Countywide

Title:

Behavioral Health Services Agreements - Additional Delegated Authority for Fiscal Year 2024-2025

Recommended Action:

- A) Authorize an increase to the FY 2024-2025 delegated authority of the Director of Health Services, or designee, in an amount not to exceed \$4,308,558 to execute agreements and amendments with providers of Behavioral Health services.
- B) Authorize advanced payment to Buckelew Programs for ramp-up of services at Orenda Detox Center set to open November 1, 2024.
- C) Adopt a budget Resolution adjusting the fiscal year 2024-2025 revised budget to increase budgetary appropriations including the Recommended Action A above by \$6,088,148.

(4/5th Vote Required)

Executive Summary:

The Sonoma County Department of Health Services (DHS) contracts with a broad range of providers of mental health (MH) services and substance use disorder services (SUDS). Due to the varied nature of these contractual services, additional appropriations are often required throughout the year to account for new contractual expenses for the current fiscal year and/or prior-year reconciliations of previous contracts, and current fiscal year contracts that face higher than expected service utilization by clientele in the Sonoma County community.

The need for appropriation and/or delegated authority for these additional FY 24-25 contracts (or increased contract amounts) was discovered after the deadlines of the annual budget process. For one contract, fund balance was not available to meet the anticipated need of that contract at the time of the annual budget process. However, after year-end activities had concluded, it was determined that appropriate fund balance would be available to increase that contract's maximum payment obligation to meet the anticipated need.

Recommended Action A includes:

- New contracts that require additional appropriations in the FY 2024-2025 budget and can be funded with unspent funds from prior year or expected unspent funds from current year programs.
- A prior year contract where the need for a higher contract amount was discovered due to

reconciliation at year-end close.

- Contracts that require amendments to augment their maximum payment liabilities. Most of these contracts are for mandated services provided by Medi-Cal providers and the remainder are for contractors that serve a population mandated by the state to receive treatment (i.e., Conservatees).

Recommended Action B:

- Provide the Director of the Department the authority to advance a 6-month advanced payment to Buckelew Programs for the opening of the Orenda Detox Center. Opening a site of this nature is a large lift with hiring new staff during a statewide shortage of addiction professionals, training and onboarding on withdrawal management requirements, and meeting strict requirements for Drug Medi-Cal (DMC) site certification that are necessary to draw down DMC funds and make the site sustainable.

Discussion:

The County contracts with a broad range of licensed providers to provide timely access to high-quality mental health and substance use disorder services. Many of the Department's behavioral health services contracts are managed within a medical network of care as mandated by federal and state regulations. Consistent with state requirements for mental health plans, the County is expected to maintain an adequate network of service providers based on client need, geographic coverage, culturally-based needs and language capabilities.

Appropriations and Delegated Authority

These contracts and programs are divided into the following three key categories: (1) new contracts to provide services for current programs, (2) reconciliation of prior year contracts, and (3) current year contracts that are projected to meet a higher service demand.

1. New Contracts

Seeking \$546,539 in Delegated Authority, \$613,139 in Appropriations*

BHIN 23-025 establishes a new Medi-Cal Benefit for Mobile Crisis services providing rapid response, assessment, and stabilization to Medi-Cal beneficiaries experiencing a mental health and/or substance use disorder (SUD) crisis. The department is working with the mobile crisis partners; inRESPONSE, SAFE, and the CORE team in Healdsburg to make up a regional approach to meeting the 24/7 Countywide mandate. These teams have been part of a regional collaborative for the past two years, collecting data and refining their processes, and are working together to modify their response to meet the requirements of Medi-Cal. DHS is required to contract directly with the Medi-Cal providers, and Petaluma People Services Center will operate the Medi-Cal benefit for mobile crisis services in South County (Petaluma, Cotati, Rohnert Park and the Sonoma State University Campus) as part of their SAFE program. This program is primarily funded via sole source contracts with the cities directly; however, as part of the new Medi-Cal mandate, the county is required to contract directly with the benefit provider, and additional funds are requested to meet the site certification, training, and ramp up of additional requirements.

Reconciliation of Prior-Year Contracts

Seeking \$253,000 in Delegated Authority, \$253,000 in Appropriations

Appropriations are needed for Community Action Partnership who's prior-year contract had higher than budgeted expenditures due to increased utilization of services. Contract amounts are often estimated and need adjusting due to the varying needs of specialty mental health services for youth year over year. Their

units of service exceeded the contract maximum.

2. Contracts Projecting a Higher Service Demand or Higher Cost

Seeking \$3,509,019 in Delegated Authority, \$5,222,009 in Appropriations*

This group of contractors requires augmentation to the Maximum Payment Obligation portion of their contracts due to the mandates set by the state.

1. Medi-Cal Services
2. In-Patient Hospitalization

*Due to purchasing authority granted to the department director, there can be variances between the delegated authority needed versus the appropriations required.

Medi-Cal Services

Community providers of Medi-Cal services provide a wide gamut of mandated services--from Mental Health Plan (MHP) services such as crisis intervention, intensive care coordination, outpatient residential treatment, and inpatient services, as well as Substance Use Disorder Services (SUDS). Higher than expected demand for service necessitates re-evaluation of the maximum payment obligation for Medi-Cal services. For example, Mental Health Residential Treatment providers (such as Progress Foundation and Community Support Network) are seeing a higher number of acute clients requiring mandated services.

Inpatient Hospitalization

Mental Health Plan (MHP) patients who require the highest level of acuity treatment will require inpatient hospitalization. Unfortunately, this level of treatment is also one of the most expensive. The lone provider, Santa Rosa Behavioral Health Hospital (formerly known as Aurora Healthcare), requires an infusion of \$2,450,569 based on expenditure trends. The escalating expenditure trends are based on increasing referral trends of high-acuity patients to this facility. These referrals have increased the past three years each year, and FY 23-24 saw a 43% increase in referrals from the year prior (from 145 clients served to 207). 1991 Realignment funds in DHS will cover this augmentation.

Attachment 2 - Contract Amendments by Adjustment Reason provides a list of behavioral health service providers for which the Department is requesting additional delegated authority (or a transfer of existing delegated authority from other categories). Individual contract amounts may be different as final agreements are negotiated, but the total amount for each delegated authority category will not exceed its total.

Strategic Plan:

N/A

Prior Board Actions:

The Board annually authorizes the Director of Health Services to execute agreements for mental health and substance use disorder services and support services agreements for behavioral health services.

Most recently, on April 16, 2024, A) Authorized a total increase not to exceed an amount of \$3,943,414 to the Director of Health Services', or designee's, Fiscal Year 2023-2024 delegated authority to execute agreements and amendments with providers of Behavioral Health services that are new contracts and reconciliation to prior year contracts; B) Authorized a total increase not to exceed an amount of \$249,168 to the Director of Health Services', or designee's, Fiscal Year 2023-2024 delegated authority to execute agreements and

amendments for the setup and operation of the state Department of Health Care Services’ Interoperability program; C) Authorized a total increase not to exceed an amount of \$9,762,807 to the Director of Health Services’, or designee’s, Fiscal Year 2023-2024 delegated authority to execute amendments for the augmentation of Behavioral Health contracts meeting higher service demand; and D) Adopted a budget resolution adjusting the fiscal year 2023-2024 budget by \$13,322,561 to program available state funds balances, new Medi-Cal reimbursement, new state grants, local Measure O, and private donation to finance the Recommended Actions above. (4/5th vote required)

FISCAL SUMMARY

Expenditures	FY 24-25 Adopted	FY 25-26 Projected	FY 26-27 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$6,088,148		
Total Expenditures	\$6,088,148		
Funding Sources			
General Fund/WA GF			
State/Federal	\$542,422		
Fees/Other	\$8,790		
Use of Fund Balance	\$5,536,936		
Contingencies			
Total Sources	\$6,088,148		

Narrative Explanation of Fiscal Impacts:

Increasing budgetary appropriations for Fiscal Year 2024-2025 in the amount of \$6,088,149 to fund Behavioral Health contracts where \$5,222,009 will fund increases to contracts due to higher utilization/need, \$253,000 to fund gaps for prior year reconciliation, and \$613,139 for new contracts. Attachment 3 provides a detailed breakdown of the funding sources for each contract.

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

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

- Attachment 1 - Budget Resolution
- Attachment 2 - Additional Delegated Authority by Provider
- Attachment 3 - Contract Amendments by Revenue Source
- Attachment 4 - FY 23-24 Actuals vs FY 24-25 Final Negotiated Contracts

Agenda Date: 10/22/2024

Related Items "On File" with the Clerk of the Board:

None