



## COUNTY OF SONOMA

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

### SUMMARY REPORT

---

**Agenda Date:** 8/4/2020

---

**To:** Board of Supervisors of Sonoma County  
**Department or Agency Name(s):** Department of Health Services  
**Staff Name and Phone Number:** Barbie Robinson, 565-7876  
**Vote Requirement:** Majority  
**Supervisory District(s):** Countywide

**Title:**

Behavioral Health Services Agreements - Delegated Authority

**Recommended Action:**

A) Authorize the Director of Health Services, or designee, to execute agreements and amendments for Peer Support/Recovery and Training Services, competitively procured during fiscal year 2019-2020, with a term beginning in fiscal year 2020-2021 and ending no later than June 30, 2024, for a not to exceed amount of up to \$1,431,150 annually.

B) Authorize the Director of Health Services, or designee, to execute agreements and amendments for Residential Care Facilities, Long-Term Care Facilities, Inpatient Hospitals, and Independent Contractors providing behavioral health services for which competitive procurement is not feasible with a term ending no later than June 30, 2023, for a not-to-exceed amount of up to \$16,042,142 annually.

C) Authorize the Director of Health Services, or designee, to execute support services agreements and amendments for behavioral health services with a term ending no later than June 30, 2021, for a fiscal year 2020-2021 not to exceed amount of \$321,832.

D) Authorize the Director of Health Services, or designee, to execute an agreement with NetSmart Technologies, Inc. for a software license and services agreement to provide an integrated information system with clinical decision support for behavioral health services for a term beginning July 1, 2020 and ending no later than June 30, 2023, for a not to exceed amount of up to \$1,032,034 annually.

E) Authorize the Director of Health Services, or designee, to execute agreements and amendments for mental health and substance use disorder services, for which delegated authority is not otherwise requested, with a term ending no later than June 30, 2021, for a fiscal year 2020-2021 not-to-exceed amount of \$24,303,673.

F) Authorize the Director of Health Services, or designee, to execute an agreement with Aurora Behavioral Healthcare for reimbursement of associated administrative costs incurred by the County for the term July 1, 2020 through June 30, 2021, resulting in revenue of \$250,000.

**Executive Summary:**

The Department of Health Services requests authority to execute agreements for mental health and substance use disorder treatment services and related support services provided by agencies documented in Attachment 1. The Department contracts with a broad range of licensed providers to provide timely access to high-quality mental health and substance use disorder services.

During the fiscal year 2019-2020 budget hearings, the Department presented a budget to the Board that reduced contract expenditures for behavioral health services by \$6,361,934. A total of \$2,900,000 million of restored funding for residential care facilities and peer programs is budgeted for fiscal year 2020-2021. Total requested contracting authority for fiscal year 2020-2021 is \$43,130,831, which includes \$41,776,965 for mental health and substance use disorder services and \$1,353,866 for behavioral health support services. Included in the requested contracting authority for mental health services are several agreements for Peer Support/Recovery and Training Services that were competitively procured during fiscal year 2019-2020, with a corresponding funding amount of up to \$1,431,150 annually for the next four years.

The Department is seeking authority to receive revenue of \$250,000 from Aurora Behavioral Healthcare for services provided by the County to Aurora patients having a residence outside of Sonoma County. For the County to be reimbursed by Aurora for these costs, the Department is requesting approval to enter into an agreement with Aurora. In consideration of the associated costs, Aurora will reimburse the County with an administrative fee in the amount of \$250,000 for fiscal year 2020-2021.

The service agreements are funded with a combination of Medi-Cal/Federal Financial Participation, Mental Health Services Act, 1991 Mental Health Realignment, 2011 Behavioral Health Realignment, Federal Substance Abuse and Prevention Treatment, various Substance Abuse and Mental Health Services Administration grants, Investment in Mental Health Wellness Act of 2013 grants, Intergovernmental Transfer, reimbursements from other County departments, and approximately \$5.7 million in County General Funds which primarily support residential care facilities and substance use disorder services.

The delegated authority being requested does not take into account the anticipated decline in realignment, the associated loss of federal financial participation and the proposed reduction in county general fund target. Based on the Board of Supervisor's adoption of the FY 20-21 budget, the department will manage the contracts within the available resources.

A portion of the above Behavioral Health funding sources that support contract services are comprised of one time funding from the County's General Fund, use of Health Services fund balance (Intergovernmental Transfer & Mental Health Services Act), and Realignment Transfer from the Human Services Department of approximately \$11.6 million.

**Discussion:**

The Department 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 managed care plans, the Department maintains an open provider network and any licensed provider may submit a request to contract to provide behavioral health services. Requests are reviewed on an ongoing basis and approved based on client need, geographic coverage, and cultural and language capabilities. Mental Health Services Act program provider selection was initially based on community stakeholder input and a request for proposals process. Ongoing Mental Health Services Act programs and services are vetted annually through a community planning and input process that includes posting of the Mental Health Services Act plan for comment and a public hearing.

During fiscal year 2018-2019, the Department assessed the various types of contracted behavioral health services and embarked on a contracting reform effort to enhance the process of procuring services through a competitive process and to ensure that contracts have performance requirements for quality outcomes. The Department released a request for proposals in January 2020 for Peer Support/Recovery and Training Services

including three peer self-help centers, a peer education and training program, and imbedded staff with the County's Whole Person Care Team and Mobile Support Team. This competitive procurement exemplifies Department efforts to align with the contracting principles for safety net programs adopted by the Board in April 2019. Alignment with the contracting principles promotes fair and open competition in selecting vendors and helps to ensure that mental health services for youth are provided equitably and fairly across all regions of the County.

The Department continues to plan its phased approach for competitive procurement of behavioral health services over the next few years with the goal of having a robust competitive process in place by fiscal year 2021-2022. By competitively procuring additional types of behavioral health services, the Department seeks to identify the most capable, responsive, and responsible providers to deliver necessary services. As competitive procurement of behavioral health services is phased in, existing and potential providers will gain familiarity with the process and better understand how to obtain funding from the County. Further, through implementation of enhanced contract management and monitoring in alignment with the contracting principles, the Department and Board will have an enhanced ability to evaluate program effectiveness to ensure that County resources are being spent effectively.

Through the assessment of the various types of contracted behavioral health services, the Department has identified a number of service types that are not feasible for competitive procurement. Services provided by Residential Care Facilities, Long-Term Care Facilities, and Inpatient Hospitals are purchased for specific individual clients based on the client's unique needs and are not appropriate to competitively procure. The Department selects a vendor for each client according to the vendor's ability to meet the clients' needs and expectations, and availability. As such, services are purchased at the rate offered by the provider. Other services identified as not being suitable for competitive procurement include certain services for psychiatry, eating disorder specialty treatment, and electroconvulsive therapy as well as services to be provided under the County's responsibility to meet State Continuity of Care requirements (i.e., beneficiaries may request to continue services with a provider outside of contracted services), which are purchased from individual providers/Independent Contractors. The Department is requesting authority to enter into contracts for services identified in this paragraph for up to three years.

Attachment 1 provides a list of mental health and substance use disorder treatment services providers as well as support services providers. Attachment 2 provides a list of proposed funding amounts per-contractor.

### **Provider Treatment Services**

Proposed fiscal year 2020-2021 contract expenditures include \$41,776,965 for mental health and substance use disorder treatment services. The Department contracts for services to access expertise not available internally, to expand existing services to match consumer needs to provider expertise, and to address staff shortages for specialized client needs. Contracts include a full range of specialty behavioral health services, and provide consumers broad access to culturally-, age-, and gender-appropriate services within an integrated network of care. Consumers served by the Department's contracted network of behavioral health providers include Medi-Cal beneficiaries, medically indigent, underinsured, and uninsured individuals. Each year, behavioral health services providers implement outreach, prevention, mental health, and substance use disorder services to over 15,000 consumers.

The Department of Health Services works to maintain a consistent level of healthcare provision to ensure continuity of care and that the delivery of services are geographically accessible throughout Sonoma County. Contracted providers must be licensed by the state and comply with certification requirements and all

regulatory and fiscal reporting requirements specific to the services and treatment provided. Because individuals experiencing a serious behavioral health crisis often require an immediate referral to a qualified contracted provider, Board authority to execute and amend agreements is needed to facilitate timely and appropriate access to services.

The Department contracts for the following types of mental health and substance use disorder treatment services as part of the Department of Health Services treatment system. In some instances, the needs of clients dictate a pattern of contract utilization that may be different than what was originally planned at the beginning of a fiscal year. The ability to maximize and move funding between contracts (within the overall budget authority granted by the Board and through typical contract amendment processes) increases opportunities to provide for the varying needs of clients with the most appropriate and effective level of care. Contracts are executed in counsel-approved templates, include language that obligates the Department only to the extent funding is available, and allows for termination of the contract in the event that any anticipated funding is reduced or eliminated.

***Acute Inpatient and Short-Term Crisis Services (\$3,070,630)***

Individuals in crisis may require a structured setting that provides 24-hour supervision and support. Acute inpatient psychiatric hospitals serve those clients who require a locked facility. Others are able to receive services in a residential setting in the community with intensive 24-hour support and supervision. The Department plans to contract with two providers for these services for a total amount of \$3,070,630.

***Community Services & Supports - Mental Health Services Act (\$923,431)***

The Department provides funds and consultation services to community-based health care and substance abuse organizations, enabling these organizations to work more effectively with their clients who have mental illness. These collaborations facilitate access to primary care for individuals with mental illness, and assist the Behavioral Health Division to identify new clients needing services. In addition, these organizations are the providers of choice for many in the Latino and Native American populations. The Department plans to contract with six providers for these services in amounts ranging from \$81,040 to \$238,587.

***Consumer, Family Peer Support and Recovery Services (\$1,658,748)***

Through contracts with several community-based organizations, clients and/or their families may access a variety of services designed to foster self-reliance and maximize overall quality of life. The services include provision of general health information and referral, assistance navigating the mental health systems of care, recreation and socialization, consumer and family support groups, peer counseling training, peer counseling, telephone support, advocacy training and consultation, benefits counseling, vocational training, community based informational events, and consumer-operated employment opportunities. The contracts also provide opportunities for individuals in recovery from mental illness and/or family members to be trained to take peer support positions in the system. A request for proposals was completed in February 2020. The Department plans to contract with one provider for the competitively procured services, West County Community Services, for a total amount of \$1,342,606. West County Community Services is also providing services in the amount of \$238,149 that were not part of the competitive procurement process. In addition, the Department plans to contract with Buckelew Programs in the amount of \$77,993 for services in this category.

***Independent Specialty Mental Health Services Providers (\$737,433)***

Independent Specialty Mental Health Providers are psychiatrists and other psychiatric professionals to provide services in the event the County is unable to recruit and retain staff within internally-based programs, to

provide for the specialized needs of clients in the community, and to provide services to Mental Health Plan clients in Long Term Care and Residential Care facilities. Continued challenges with recruiting appropriate staff has resulted in an increased need for these services, as well as new federal and state regulations regarding beneficiary continuity of care. The Department plans to contract with 4 identified and multiple currently unidentified providers for these services, based on client need, in amounts ranging from \$70,193 to \$315,720.

***Long-Term Care Facilities (\$6,759,722)***

Long-term care facilities provide services to improve the daily functioning of adults with serious and persistent mental illness. Facilities also serve clients who require short- to medium-term intensive treatment in a secure, highly structured therapeutic environment in order to return to the community. The Department has identified and plans to contract with an estimated 12 providers for these services, based on client need and the availability of beds, in amounts ranging from \$81,000 to over \$2,700,000.

***Prevention and Early Intervention - Mental Health Services Act (\$1,103,587)***

Our community partners provide 1) prevention based services to individuals prior to the development of serious mental illness or serious emotional disturbances and to alleviate the need for additional mental health services or extended mental health treatment; 2) build capacity for mental health prevention and early intervention services at sites where people access other services such as health providers, education facilities, and community organizations; and 3) ensure earlier access to mental health services in order to lower the incidence of mental illness and suicide, to enhance wellness and resilience, and to reduce stigma and discrimination in Sonoma County. The Department plans to contract with approximately seven providers for these services in amounts ranging from \$20,919 to \$308,619.

***Residential Care Facilities (\$5,474,357)***

Support services provided to adults in licensed community care facilities fall into two broad categories. Contractors provide an organized treatment program with a daily schedule of activities designed to help clients learn daily living skills, understand their mental illness, and/or deal with substance use disorder issues in preparation for moving into a more independent living situation, if possible. The remaining contracts are with licensed board and care providers that offer limited supervision of clients, assistance with managing medications, and help with the activities of daily living. The Department plans to contract with approximately 15 providers for these services, based on client need, in amounts ranging from \$49,483 to over \$1,450,000.

***Specialty Mental Health Services for Adults (\$4,347,808)***

Includes both residential and outpatient specialty mental health services to ensure that individual's treatment, counseling, and case management needs are addressed. These community-based programs provide for the specialized needs of clients and provide services to Mental Health Plan clients in residential care facilities. The Department plans to contract with five providers for these services, based on client need, for a total amount of up to \$4,347,808, in amounts ranging from \$127,175 to \$1,256,882.

***Specialty Mental Health Services for Youth and Families (\$705,100)***

Includes outpatient mental health youth and family services to ensure that individual/family counseling and case management needs are addressed. A majority of services in this category were competitively procured in early 2019 and four-year contracts with three providers were executed for services beginning July 1, 2019, in the amount of up to \$4,438,489 annually. Additional services may be required for specialized placements that the identified providers do not have the ability to serve, such as a very young child or a child with very specialized needs such as eating disorders. The Department plans to contract with one identified provider for

these services in the amount of \$106,100 as well as currently unidentified providers, based on client need, for a total amount of up to \$599,000.

***Specialty Mental Health Services for Youth in Foster Care (\$4,470,500)***

Partnerships with agencies that provide specialty mental health services to ensure that the mental health treatment needs of youth in foster care (or other placements) are appropriately met. Services are available to children who have been assessed and identified as requiring specific levels of mental health intervention, and may also be eligible for services in Short-Term Residential Therapeutic Programs, Intensive Services Foster Care programs and Wraparound. The Department plans to contract with five providers for these services in amounts ranging from \$309,000 to \$2,050,000. Various additional services may be required for specialized placements that the identified providers do not have the ability to serve, such as a very young child or a child with very specialized needs such as eating disorders. Use of additional providers will result in a decreased cost of identified providers.

***Substance Use Disorder Services - Narcotic Treatment Programs (\$2,839,000)***

This program provides outpatient therapeutic substance use disorder treatment in the form of Narcotic Replacement Therapy (such as methadone). The Department plans to contract with two providers for these services in amounts ranging from \$695,000 to \$2,144,000.

***Substance Use Disorder Services - Outpatient (\$1,353,386)***

Therapeutic outpatient substance use disorder treatment services may be provided in lieu of incarceration for inmates of the Main Detention Facility and North County Detention Facility, or to residents of the community in need of therapeutic outpatient substance use disorder treatment. The Department plans to contract with two providers for these services in amounts ranging from \$548,685 to \$804,701.

***Substance Use Disorder Services - Perinatal & Parenting Residential & Outpatient (\$819,285)***

Perinatal substance use disorder treatment services are designed to support pregnant and parenting women through intensive outpatient treatment programs and residential treatment. These services can be accessed through community partner referrals, criminal justice system referrals, or self-referral. Both the residential and outpatient services include on-site child care and transportation for clients. The Department plans to contract with two identified providers for these services in amounts of \$70,909 and \$430,376 as well as currently unidentified providers, based on client need, for a total amount of up to \$318,000.

***Substance Use Disorder Services - Residential Non-Medical Detoxification (\$447,508)***

Drug Abuse Alternatives Center provides 10 residential non-medical detoxification beds at the Orenda Center. The Department plans to contract with a single provider for these services.

***Substance Use Disorder Services - Residential Treatment (\$2,567,643)***

Residential substance use disorder treatment services will fund approximately 86 residential beds for therapeutic inpatient substance use disorder treatment in fiscal year 2020-2021. Services may be provided in lieu of incarceration for inmates of the Main Detention Facility and North County Detention Facility. Services may be provided to residents of the community in need of therapeutic residential substance use disorder treatment. The Department plans to contract with four providers for these services in amounts ranging from \$91,980 to \$1,630,490.

***Supportive Services to Adults in Independent Living Settings (\$1,824,574)***

The treatment goal for all mental health clients is for them to live in the community as independently as possible. A variety of living arrangements are available to clients including single or shared apartments, and homes shared by a small number of individuals. Contract providers send staff to clients' homes to teach and assist them in accomplishing all the tasks necessary to live independently, including menu planning, grocery shopping, budgeting and paying bills, taking medications as prescribed, etc. The Department plans to contract with two providers for these services in amounts ranging from \$210,019 to \$1,614,555.

***Temporary Specialty Mental Health Service Agency Providers (\$1,698,747)***

Temporary staffing contracts support maintenance of a pool of psychiatrists and other psychiatric professionals to provide services in the event the County is unable to recruit and retain staff, or to provide for the specialized needs of Mental Health Plan clients. The Department contracts with staffing agencies, locum tenens, or other providers as needed. The Department plans to contract with five identified providers for these services in amounts ranging from \$127,000 to \$735,000, as well as currently unidentified providers, based on client need, for a total amount of up to \$42,432.

***Whole Person Care Pilot (\$975,506)***

The Sonoma County Whole Person Care Pilot is in its final year of the initial 5-year funding cycle, with a current end date of December 31, 2020. The program, which has been integrated into the ACCESS Sonoma County Initiative, targets Medi-Cal beneficiaries who are homeless or at risk of homelessness, have a serious mental illness, and possess at least one of the following characteristics: 1) have other co-occurring health conditions, including substance use disorders; 2) are high users of emergency services; and 3) are served by multiple agencies. The pilot's high-touch, on-the-ground approach will help connect participants to the important health care services they need. The Whole Person Care Pilot includes outreach and integrated care coordination to disparate and historically underserved populations in an effort to engage individuals in mental health services, as well as to expand community health center partner outreach and case management capacity. Federally Qualified Health Centers and community-based peer organizations are integral members of the multi-disciplinary teams that focus on this vulnerable population and support comprehensive care management between different types of needed services. The Department plans to contract with five health centers for six months in amounts ranging from \$85,000 to \$201,415 and two peer providers for a full year in amounts of \$136,500 and \$164,837.

**Support Services**

The proposed budget for fiscal year 2020-2021 includes \$1,353,866 for services to support the delivery of client and program related services. Following is a description of proposed support service contracts. A list of support services providers is presented in Attachment 1.

***Netsmart Technologies Inc. (\$1,032,034)*** Ongoing development, support, and implementation of the Avatar electronic health record for mental health services. The Avatar application was selected and approved by the Board in January of 2012 based upon a Statewide California Behavioral Health Systems coalition, comprised of 27 California Counties which reviewed 44 software products. The Avatar system will be used to submit claims to Medi-Cal and Medicare for services in fiscal year 2013-2014 and beyond, and perform related clinical, accounting and reporting functions. The software developer, Netsmart, is the sole source for this maintenance agreement.

***Counties of Contra Costa, Marin and San Mateo (\$121,832)*** The County of San Mateo contracts with Optum to provide after-hours phone coverage to the 1-800 numbers that are accessible to residents and Medi-Cal

beneficiaries of San Mateo, Marin, Sonoma, and Contra Costa Counties seeking behavioral health services. This agreement funds Sonoma County's portion of the contract with Optum.

**The SmithWaters Group (\$200,000)** Oversight of Patient's Rights and Certification hearing process, insuring compliance with all Patients' Rights laws and regulations. Investigates all reports of rights violations as well as abuse and neglect in the system related to both inpatient and outpatient facilities where Mental Health Plan beneficiaries are receiving services. Conducts regular trainings with Behavioral Health Division staff related to 5150, patients' rights, 5270, rights denials, etc.

#### **Revenue Agreement with Aurora Behavioral Healthcare**

Aurora Behavioral Healthcare provides inpatient psychiatric hospitalization for Medi-Cal clients under the age of 21 and over 65. In addition, the Department contracts with Aurora to provide inpatient hospitalization and associated psychiatric professional fees for Medi-Cal Mental Health Plan clients who fall between those ages. Aurora clients needing acute inpatient psychiatric hospitalization and having a residence outside of Sonoma County may require services provided by the County. For the County to be reimbursed by Aurora for these costs, the Department is requesting approval to enter into an agreement with Aurora. In consideration of the associated costs, Aurora will reimburse the County with an administrative fee in the amount of \$250,000 for fiscal year 2020-2021.

#### **Prior Board Actions:**

On June 2, 2020 the Board approved 1) execution of agreements for mental health and substance use disorder services and related support services, initially approved by the Board on July 9, 2019, of \$5,794,716 for fiscal year 2019-2020 to provide for increased in service needs and costs, and 2) an agreement with Aurora Behavioral Healthcare for reimbursement of associated administrative costs incurred by the County for the term July 1, 2019 through June 30, 2020, resulting in revenue of \$250,000.

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. On July 9, 2019, the Board approved 1) execution of agreements and amendments for mental health and substance use disorder services with a term ending no later than June 30, 2020 for a fiscal year 2019-2020 not to exceed amount of \$37,181,434, 2) execution of agreements for mental health services for youth, competitively procured during fiscal year 2018-2019, with a term beginning July 1, 2019 and ending no later than June 30, 2023 for a not to exceed amount of \$4,438,489 annually, and 3) execution of agreements and amendments for behavioral health services with a term ending no later than June 30, 2020 for a fiscal year 2019-2020 not to exceed amount of \$1,873,507.

#### **FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 20-21 Adopted</b>	<b>FY 21-22 Projected</b>	<b>FY 22-23 Projected</b>
Budgeted Expenses	43,130,831	43,130,831	43,130,831
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>43,130,831</b>	<b>43,130,831</b>	<b>43,130,831</b>
<b>Funding Sources</b>			
General Fund/WA GF	5,661,125	4,761,125	4,761,125
State/Federal	37,469,706	38,369,706	38,369,706



---

Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>43,130,831</b>	<b>43,130,831</b>	<b>43,130,831</b>

**Narrative Explanation of Fiscal Impacts:**

The fiscal year 2020-2021 budget includes \$41,776,965 for provider treatment services contracts and \$1,353,866 for support services contracts, for which delegated authority is being requested, totaling \$43,130,831. Of the total amount, contract authority of \$965,262 is for various services providers, primarily providers of medically necessary behavioral health services from both existing and not yet identified providers as the need is identified.

The mental health and substance use disorder treatment and support services contracts are funded by Medi-Cal/Federal Financial Participation, Mental Health Services Act, 1991 Mental Health Realignment, 2011 Behavioral Health Realignment, Federal Substance Abuse and Prevention Treatment, various Substance Abuse and Mental Health Services Administration grants, Investment in Mental Health Wellness Act of 2013 grants, Intergovernmental Transfer, reimbursements from other County departments, and approximately \$5.7 million in County General Funds which primarily support residential care facilities and substance use disorder services. The delegated authority being requested does not take into account the anticipated decline in realignment, the associated loss of federal financial participation and the proposed reduction in county general fund target. Based on the Board of Supervisor's adoption of the FY 20-21 budget, the department will manage the contracts within the available resources.

A portion of the above Behavioral Health funding sources that support contract services are comprised of one time funding from the County's General Fund, use of Health Services fund balance (Intergovernmental Transfer & Mental Health Services Act), and Realignment Transfer from the Human Services Department of approximately \$11.6 million.

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

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

1) Mental Health and Substance Use Disorder Treatment Services Providers, 2) Mental Health and Substance Use Disorder Services Providers - Total Amount Per Provider

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

None

