



Legislation Text

File #: 2019-1041, **Version:** 1

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 Competitive Procurement Update

Recommended Action:

Receive an update on the Department of Health Services' competitive procurement efforts around mental health services for youth.

Executive Summary:

The Department of Health Services Behavioral Health Division provides a broad range of mental health and substance use disorder services ranging from prevention and early engagement services to acute inpatient hospital services. As the designated Mental Health Medi-Cal Managed Care Plan in Sonoma County, the Behavioral Health Division serves the County's most seriously mentally ill patients. In order to meet service needs, the Behavioral Health Division has a provider network that consists of a combination of directly employed staff and contracted community providers.

Within the current delivery system, both Behavioral Health staff and contracted providers provide specialty mental health services to Medi-Cal beneficiaries. Recent organizational changes have included a realignment of work responsibilities among contract providers and staff, ensuring that the highest acuity clients are served by the Department's professional and highly qualified staff.

In July 2018 the Department informed the Board of an effort to enhance the process of procuring behavioral health services through competitive procurement. The Department assessed the various types of services provided by the Department's Behavioral Health Division and developed a phased approach to competitively procuring services. Contracts that will be competitively procured in the first phase include services for youth. In March 2019, the Board approved the release of a request for proposals for mental health services for youth. 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.

Discussion:

The Department of Health Services Behavioral Health Division provides a broad range of mental health and substance use disorder services ranging from prevention and early engagement services to acute inpatient hospital services. As the designated Mental Health Medi-Cal Managed Care Plan in Sonoma County, the Behavioral Health Division serves the County's most seriously mentally ill patients. In order to meet service

needs, the Behavioral Health Division has a provider network that consists of a combination of directly employed staff and contracted community providers.

In July 2018 the Department informed the Board of an effort to enhance the process of procuring behavioral health services through competitive procurement. The Department assessed the various types of services provided by the Department's Behavioral Health Division and developed a phased approach to competitively procuring services. Contracts that will be competitively procured in the first phase include services for youth, with a total contract amount of approximately \$4.4 million in fiscal year 2019-2020.

On March 12, 2019, the Board approved the release of a request for proposals for mental health services for youth. The request for proposals was then issued on April 2, 2019 with submissions due on April 26, 2019.

The following services for children and youth, ages 0 to 21 years, were included in the request for proposals:

- Rehabilitative Mental Health Services - Community and Home-Based
- Mental Health Services - Outpatient Therapy
- Medication Support Services
- Therapeutic Behavioral Services

Eight submissions were received and evaluated based on the following:

- Ability to address all county geographic areas;
- Attention and ability to serve diverse populations with culturally competent services and provide appropriate bilingual/bicultural services;
- High-fidelity implementation of evidence-based practices.
- Ability to provide a full continuity of specialty mental health services and support appropriate service capacity throughout the County.
- Ability to effectively establish and report performance measures.

An evaluation committee meeting was held on May 14, 2019 and consisted of partners from Sonoma County Human Services Department's Family, Youth & Children's Division; Sonoma County Juvenile Probation; Sonoma County Department of Health Services' Behavioral Health Division; and the Sonoma County Mental Health Board. The competitive procurement process aligns 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. Three agencies were ranked the highest - Individuals Now, Inc. dba Social Advocates for Youth, Seneca Family of Agencies, and LifeWorks of Sonoma County.

Next Steps

The Department has begun contract negotiations with the top three rated agencies and anticipates having contracts resulting from the competitive procurement process in place by July 2019, following the Board's decision on the authorization to execute contracts included in the Department's annual delegated authority request for behavioral health contracts. The Department's annual delegated authority request was included in today's Consent Calendar.

The Department will continue to work to identify services to be part of the second phase of competitive

procurement and also identify services that must be procured on a single/sole source basis. The second phase of the process will apply to contracts that begin July 1, 2020 and will include Adult Outpatient Services and contracts that are funded fully through the Mental Health Services Act (i.e., prevention and education services). It is estimated that the second phase will comprise approximately \$8.1 million of the \$43.5 million total behavioral health contracted services in fiscal year 2020-2021.

The Department plans to phase in and enhance the competitive processes used for procurement of behavioral health services over the next few years with the goal of having a robust competitive procurement 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. Requests for contracting on a single/sole source basis, including proprietary software and licensed or patented services, will be made to the County Purchasing Agent.

Prior Board Actions:

On April 2, 2019 the Board approved proposed principles to inform how the Board and Departments contract for and fund safety net services programs.

On March 12, 2019 the Board received an update on the Department's behavioral health competitive procurement efforts and approved the release of a request for proposals for mental health services for youth.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY 20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

There are no fiscal impacts associated with this item.

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:

None

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

None