

January 9, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Ratification, Approval of, and Authorization for the Ventura County Behavioral Health (VCBH) Director to Sign, an Agreement with Khepera House for Drug Medi-Cal Organized Delivery System (DMC-ODS) Substance Use Disorder (SUD) Related Services, in the Amount of \$634,651, Effective October 1, 2023 through June 30, 2024; Authorization for the VCBH Director to Approve Limited Modifications and Extend the Term of the Agreement. Recommendation No. 4 Requires 4/5ths Vote.

RECOMMENDATIONS:

1. Ratification, approval of, and authorization for the Ventura County Behavioral Health (VCBH) Director or designee to sign, an agreement with Khepera House (Khepera) for Drug Medi-Cal Organized Delivery System (DMC-ODS) Substance Use Disorder (SUD) services, in the amount of \$634,651, effective October 1, 2023 through June 30, 2024. (Exhibit 1)
2. Authorization for the VCBH Director or designee to (a) approve modifications to decrease the amount of the agreement, (b) to approve budget modifications that do not increase the amount of the agreement, (c) to approve modifications to the Provider Service Rates in the Agreement that do not increase the amount of the agreement, (d) to approve corrections, clarifications and technical changes and modifications to the agreement, when the changes are consistent with the original purpose of the agreement and do not result in additional costs to the County, and (e) to amend this agreement to revise or add language applicable to providers as required by the California Department of Health Care Services (DHCS), subject to County Counsel review and approval.
3. Authorization for the VCBH Director or designee to extend the term of the agreement referenced in Recommendation #1, up to two (2) times for a period not to exceed one (1) year on the same or more favorable terms and conditions (with any changes in the Scope of Work to be consistent with the original

purpose of the Agreement), and for up to an amount not to exceed (a) the amount of each agreement specified above and (b) any Board-approved increase made to each agreement amount within FY 2023-24. All extensions would be subject to all necessary prior appropriations and other budgetary approvals by your Board and review and approval as to form by County Counsel.

4. Authorization for the Auditor-Controller to process the necessary budgetary transactions to revise the following appropriations and revenue. (This recommendation requires 4/5ths vote):

SUS Budget Unit #3220-3227 (Residential Services)

Increase Unit 3220-3227	Services and Supplies	\$ 502,689
Increase Unit 3220-3227	Charges for Services	\$ 251,345
Increase Unit 3220-3227	2011 Realignment Sales	\$ 251,344
	Tax Mental Health - 9113	

\$74,254 was previously approved as part of the Opioid Settlement Funding Plan on September 26, 2023. \$57,708 is covered by the Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG) budget.

REASON FOR RATIFICATION:

To meet critical county need for a local men's residential and withdrawal management provider and to expand the SUD provider continuum of care in Ventura County, Ventura County authorized Khepera to provide start-up related services in advance of your Board's approval of the proposed agreement with Khepera. In order to contract with VCBH, providers must complete the credentialing process. VCBH is presenting the agreement with Khepera to your Board for review and approval at the earliest opportunity.

FISCAL/MANDATES IMPACT:

SUS Division BU# 3220-3227 SUS Residential

Mandatory: No [] Yes [X] Cite Authority: Affordable Care Act

Source of Funding: Opioid Settlement Funds; Drug Medi-Cal Federal Financial Participation (DMC-ODS FFP) funds and State General Fund; 2011 Realignment (9113); AB 109 Public Safety Realignment Act (AB 109) funds; and SUBG discretionary funds

Funding Match Required: None

Impact on Other Department(s): None

	<u>2023-2024</u>	<u>2024-2025</u>
Summary of Revenue and Total Costs		
Revenue:	\$634,651	\$1,120,000
Costs:		
Direct Cost	\$634,651	\$1,120,000
Indirect - Dept.	\$0	\$0
Total Costs	\$634,651	\$1,120,000

FY 2023-24 Adjusted Budget for SUS Residential Services BU #3227				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$7,854,251	\$9,604,551	\$9,604,551	\$0
Revenue	\$7,268,246	\$7,624,046	\$7,624,046	\$0
Net Cost	\$586,005	\$1,980,505	\$1,980,505	\$0

STRATEGIC PLAN PRIORITY:

The item presented in this board letter ties to the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing equitable and timely access to quality healthcare by expanding the continuum of services for people with a substance use disorder.

DISCUSSION:

Background

Each year, VCBH contracts with a variety of providers for a wide range of DMC-ODS SUD services structured according to the American Society of Addiction Medicine criteria. These services are provided in structured, clinically managed, residential or outpatient settings. Since 2019, male clients requiring 24-hour residential withdrawal management services have been sent out of county as there was a decrease in the local SUD providers caring for this population. The contract agreement that is before your Board today is for DMC-ODS SUD treatment services and will fill a critical need in our County by adding additional residential beds.

Recommendation #1:

Khepera will provide one level of residential treatment services and one level of withdrawal management treatment services and will have a capacity of up to twenty-four (24) men. The treatment service includes clinically managed low-intensity residential services and withdrawal management for adult males. The proposed agreement includes both (1) one time funding for three months of start-up expenses and salaries and (2) payments according to the Medi-Cal fee schedule for direct SUD

services to clients, and (3) room and board services. Khepera shall utilize the start-up funds to: (1) complete staff recruitment and hiring costs, (2) train staff, (3) create and implement compliance policies, (4) make changes to provider information and billing systems, (5) address technology costs such as hardware or software, (6) purchase other supplies and equipment and (7) other related start-up costs as pre-approved by VCBH. This agreement will be funded with Opioid Settlement Funds, DMC FFP, State General Fund, 2011 Realignment, AB 109 funds, SUBG discretionary.

VCBH requests approval of, and authorization for the VCBH Director or designee to sign, an agreement with Khepera for DMC-ODS SUD services, in the maximum amount of \$634,651, effective October 1, 2023 through June 30, 2024.

Recommendation #2:

In order to quickly respond to changes needed to achieve agreement goals and ensure costs are maintained within available funding and budgets, VCBH also requests authorization for the VCBH Director or designee to approve modifications to decrease the amount of the agreement listed in Recommendation #1, to approve contract modifications that do not increase the amount of the agreement, such as modifications to the Provider Service Rates in the Agreement, corrections, clarifications and technical changes consistent with the original purpose of the agreement, and revisions required by the DHCS, subject to review and approval as to form by County Counsel.

Recommendation #3:

VCBH requests authorization for the VCBH Director or designee to extend the term of the agreement referenced in Recommendation #1, up to two (2) times for a period not to exceed one (1) year per extension, on the same or more favorable terms and conditions, with any changes in the Scope of Work consistent with the original purpose of the Agreement. Finally, the amount of the extended agreement would be up to an amount not to exceed (a) the agreement amount recommended above and (b) any Board-approved increase(s) made to that agreement within FY 2023-24. All extensions would be subject to all necessary prior appropriations and other budgetary approvals by your Board and subject to review and approval as to form by County Counsel.

Recommendation #4:

Finally, VCBH requests that your Board authorize the Auditor-Controller to process the necessary budgetary transactions as detailed above to revise both the Department's appropriations and revenue.

This Board letter has been reviewed by the County Executive Office, Auditor-Controller's Office, and County Counsel. If you have any questions regarding this item, please contact VCBH Acting Director Loretta Denering at (805) 981-2214 or Health Care Agency Assistant Chief Financial Officer Narcisa Egan at (805) 973-5357.


LORETTA L. DENERING, DR.PH, MS
Acting Behavioral Health Director
BARRY L. ZIMMERMAN
Health Care Agency Director

Attachment:

Exhibit 1 – FY 2023-24 DMC-ODS SUD Khepera House Agreement