
Setting the Standard in Health Care Excellence

June 18, 2024

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

SUBJECT: Approval of, and Authorization for the Ventura County Behavioral Health Director to Sign, Two Amendments for Drug Medi-Cal Organized Delivery System (DMC-ODS) Substance Use Disorder (SUD) Related Services with Aegis Treatment Centers, LLC and Khepera House, in the Combined Maximum Amount from \$8,434,651, to \$8,900,204 (a Combined Increase of \$465,553), Effective July 1, 2024 Through June 30, 2025; Approval of, and Authorization for the VCBH Director to Make Limited Modifications to the Agreements.

RECOMMENDATIONS:

1. Approval of, and authorization for the Ventura County Behavioral Health (VCBH) Director or designee to sign, two amendments for Drug Medi-Cal Organized Delivery System (DMC-ODS) Substance Use Disorder (SUD) related services with Aegis Treatment Centers, LLC (Aegis) and Khepera House, in the combined maximum amount from \$8,434,651, to \$8,900,204 (a combined increase of \$465,553 from FY 2023-24), effective July 1, 2024 Through June 30, 2025. (Exhibits 1 and 2)
2. Authorization for the VCBH Director or designee (a) to approve modifications to decrease the amount of each agreement, (b) to approve budget modifications that do not increase the amount of the agreement, (c) to approve modifications to the Provider Service Rates that do not exceed 25% of the rates stated in the agreements and which do not increase the amount of the agreement, (d) to approve corrections, clarifications and technical changes and modifications to each 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 these agreements 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.

FISCAL/MANDATES IMPACT:

SUS Budget Unit# 3220 Substance Use Services

Mandatory: No [X] Yes [] Cite Authority: N/A

Source of Funding: Drug Medi-Cal Organized Delivery System (DMC-ODS) Federal Financial Participation (FFP) 2011 Realignment, State General Fund, AB109 funds, and Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG).

Funding Match Required: None

Impact on Other Department(s): None

| | <u>FY 2023-24</u> | <u>FY 2024-25</u> |
|------------------------------------|-------------------|-------------------|
| Summary of Revenue and Total Costs | | |
| Revenue: | \$0 | \$8,900,204 |
| Costs: | | |
| Direct Cost | \$0 | \$8,900,204 |
| Indirect - Dept. | \$0 | \$0 |
| Total Costs | \$0 | \$8,900,204 |
| Net County Costs | \$0 | \$0 |
| Recovered Indirect Cost: | \$0 | \$0 |

| FY 2023-24 Adjusted Budget for SUS Prevention Services BU #3220 | | | | |
|--|-----------------------|------------------------|-------------------------|------------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Appropriations | \$32,562,193 | \$39,020,818 | \$31,605,843 | \$7,414,975 |
| Revenue | \$31,853,989 | \$33,799,974 | \$30,531,564 | (\$3,268,410) |
| Net Cost | \$708,204 | \$5,220,844 | \$1,074,279 | \$4,146,565 |

Note: There are sufficient revenue and appropriations included in the FY 2024-25 preliminary budget for SUS BU #3220.

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 mental health services.

DISCUSSION:

Recommendation #1:

Aegis provides outpatient Narcotic Treatment Program (NTP) services and Medications for Addiction Treatment (MAT) services for adults. Aegis currently has clinics in Oxnard, Santa Paula, Simi Valley, and Ventura with a total licensed capacity of 1,370 clients. From July 1, 2022 to June 30, 2023, Aegis provided services to 737 DMC clients. Since July 2023, Aegis has provided services to 678 DMC clients and estimates serving 691 DMC

clients by fiscal year end. In FY 2024-25, Aegis estimates serving 704 DMC clients. The proposed FY 2024-25 Agreement is for a one-year term (July 1, 2024 through June 30, 2025) and represents an increase of \$120,000 to the maximum agreement amount from the prior fiscal year due to an increased projection of service delivery over the coming fiscal year. There is no change in the rates. In addition, the proposed Amendment represents contract boilerplate language changes related to insurance, debarment and suspension certification, personnel, quality assurance, members' rights and protections, timely access, record retention, and other non-substantive changes. This agreement is funded with Drug Medi-Cal Organized Delivery System Federal Financial Participation (DMC-ODS FFP), State General Fund, and 2011 Realignment funds.

VCBH recommends approval of, and authorization for the VCBH Director or designee to sign, the Third Amendment to the Agreement with Aegis for NTP and MAT DMC-ODS SUD services, increasing the maximum agreement amount from \$7,800,000 to \$7,920,000 (an increase of \$120,000), effective July 1, 2024 through June 30, 2025.

Khepera House provides residential and withdrawal management services for men in their Ventura facility. Khepera House has a total licensed capacity for 24 clients. Since July 2023, Khepera House has provided services to 41 DMC clients and estimates serving 80 DMC clients by fiscal year end. In FY 2024-25, Khepera House estimates serving 240 DMC clients. The proposed FY 2024-25 Agreement is for a one-year term (July 1, 2024 through June 30, 2025) and represents an increase of \$345,553 to the maximum agreement amount from the prior fiscal year due to the contract being annualized as the FY 2023-24 agreement was for a nine-month term. There has been no change in the residential rates from the prior fiscal year. The room and board rate increased from \$28.63 to \$32.72 per unit due to increased operating costs. In addition, the proposed Amendment represents contract boilerplate language changes related to insurance, debarment and suspension certification, personnel, quality assurance, members' rights and protections, timely access, record retention, and other non-substantive changes. This agreement is funded with DMC-ODS FFP, SUBG, State General Funds, AB109 funds and 2011 Realignment funds.

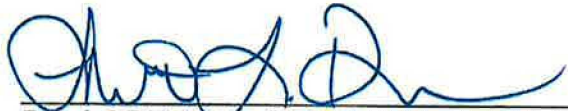
VCBH recommends approval of, and authorization for the VCBH Director or designee to sign, the Third Amendment to the Agreement with Khepera for Residential and Withdrawal Management DMC-ODS SUD services, increasing the maximum agreement amount from \$634,651 to \$980,204 (an increase of \$345,553), effective July 1, 2024 through June 30, 2025.

Recommendation #2:

In order to timely respond to needed changes to achieve contract goals and ensure costs are maintained within available funding and budgets, VCBH also requests authorization for the VCBH Director or designee (a) to approve modifications to decrease the amount of each agreement, (b) to approve budget modifications that do not increase the amount of the agreement, (c) to approve modifications to the Provider Service Rates that do not exceed 25% of the rates stated in the agreements and which do not increase the amount

of the agreement, (d) to approve corrections, clarifications and technical changes and modifications to each 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 these agreements 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.

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 Interim Director Dr. Loretta Denering, DrPH, MS at (805) 981-2214 or HCA Assistant Chief Financial Officer Narcisa Egan at (805) 973-5357.



DR. LORETTA L. DENERING, DRPH, MS
Interim Behavioral Health Director



BARRY ZIMMERMAN
Health Care Agency Director

Attachments:

- Exhibit 1 - FY 2024-25 Aegis Third Amendment
- Exhibit 2 - FY 2024-25 Khepera Second Amendment