
Setting the Standard in Health Care Excellence

June 27, 2023

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

SUBJECT: Approval of, and Authorization for the Ventura County Behavioral Health (VCBH) Director to Sign, Four (4) Agreements with Various Contractors for Drug Medi-Cal Organized Delivery System (DMC-ODS) Substance Use Disorder (SUD) Related Services, Effective July 1, 2023 through June 30, 2024, Increasing the Combined Maximum of the Agreements from \$15,385,289 to \$16,100,988 (a Combined Increase of \$715,699); Authorization for the VCBH Director to Approve Limited Modifications and to Extend the Term of the Agreements.

RECOMMENDATIONS:

1. Approval of, and authorization for the Ventura County Behavioral Health (VCBH) Director or designee to sign, four (4) agreements with various contractors for Drug Medi-Cal Organized Delivery System (DMC-ODS) Substance Use Disorder (SUD) services, effective July 1, 2023 through June 30, 2024, increasing the combined maximum of the agreements from \$15,385,289 to \$16,100,988 (a combined increase of \$715,699), with the contractors and in the amounts and terms listed in the table below. The agreements are more fully described in the FY 2023-24 VCBH DMC-ODS SUD Contracts Summary. (Exhibit 1)

Exhibit #	Contractor	Contract Term	FY 2022-23 Contract Amount	Proposed FY 2023-24 Contract Amount	Increase/ (Decrease)	Division Number
2	Aegis Treatment Centers, LLC (Aegis)	7-1-23 to 6-30-24	\$6,750,000	\$7,040,000	\$290,000	3220
3	HealthRIGHT 360	7-1-23 to 6-30-24	\$3,554,873	\$3,656,650	\$101,777	3220

Exhibit #	Contractor	Contract Term	FY 2022-23 Contract Amount	Proposed FY 2023-24 Contract Amount	Increase/ (Decrease)	Division Number
4	Tarzana Treatment Centers, Inc. (Tarzana)	7-1-23 to 6-30-24	\$3,280,416	\$3,526,938	\$246,522	3220
5	Western Pacific Med-Corp. (Western)	7-1-23 to 6-30-24	\$1,800,000	\$ 1,877,400	\$77,400	3220
Total				\$16,100,988	\$715,699	

2. Authorization for the VCBH Director or designee to (a) 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 and Current Procedural Terminology (CPT) Codes Table in the Agreements that do not increase the amount of the agreements, (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.
3. Authorization for the VCBH Director or designee to extend the term of the agreements referenced in Recommendation #1 (Exhibits 2-5), 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.

FISCAL/MANDATES IMPACT:

SUS Division BU # 3220-3231 SUS NTP Services

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

Source of Funding: Drug Medi-Cal Federal Financial Participation (DMC-ODS FFP) funds and State General Fund; 2011 Realignment (Trust N520-719C) funds;

Funding Match Required: None

Impact on Other Department(s): None

	<u>2022-2023</u>	<u>2023-2024</u>
Summary of Revenue and Total Costs		
Revenue:	\$0	\$8,917,400
Costs:		
Direct Cost	\$0	\$8,917,400
Indirect - Dept.	\$0	\$0
Total Costs	\$0	\$8,917,400

Note: Sufficient revenue and appropriations are included in the FY 2023-24 preliminary budget for SUS Division BU#3220-3231.

SUS Division BU# 3220-3227 SUS Residential

Mandatory: No [] Yes [X] Cite Authority: Affordable Care Act
Source of Funding: Drug Medi-Cal Federal Financial Participation (DMC-ODS FFP) funds and State General Fund; 2011 Realignment (Trust N520-719C) funds; California Work Opportunity and Responsibility to Kids (CalWORKS); Judicial Council of California (JCC); AB 109 Public Safety Realignment Act (AB 109) funds; and Substance Abuse Prevention and Treatment Block Grant (SABG) discretionary funds

Funding Match Required: None

Impact on Other Department(s): None

	<u>2022-2023</u>	<u>2023-2024</u>
Summary of Revenue and Total Costs		
Revenue:	\$0	\$7,183,588
Costs:		
Direct Cost	\$0	\$7,183,588
Indirect - Dept.	\$0	\$0
Total Costs	\$0	\$7,183,588

Note: Sufficient revenue and appropriations are included in the FY 2023-24 preliminary budget for SUS Division BU#3220-3227.

DISCUSSION:

The contract agreements that are before your Board today are for DMC-ODS SUD treatment services that are structured using the American Society of Addiction Medicine criteria. These services are provided in structured, clinically-managed, residential, and outpatient settings.

Recommendation #1:

Each year, VCBH contracts with a variety of contractors for the provision of a wide range of DMC-ODS SUD services to assist in meeting the needs of various target populations served by VCBH. The contracts listed above in Recommendation #1 are described more fully in Exhibit 1 (FY 2023-24 VCBH DMC-ODS SUD Contracts Summary). The proposed agreements are being renewed based on the contractors' successful performance under the current fiscal year contracts and carry a new term of July 1, 2023 through June 30, 2024, unless otherwise specified.

These contracts also include substantial contract boilerplate language, rate, and claiming methodology revisions that stem from VCBH's implementation of the State driven/required California Advancing and Innovating Medi-Cal (CalAIM) initiative. CalAIM, is a California Department of Health Care Services initiative to reform and transform the Medi-Cal program by implementing a broad delivery system, program and payment reform, and knowledge learned from various successful pilot programs to transform the delivery of behavioral health services for Medi-Cal beneficiaries. Claiming and reimbursement rates are no longer cost-based interim rates but rather final payment rates that utilize standardized codes for clinical services provided by licensed and non-licensed professionals for services that are in their scope of practice, and other service requirements that are designed to improve outcomes for Medi-Cal beneficiaries.

Contractor performance was reviewed throughout FY 2022-23 to ensure compliance with the contract goals and outcomes. The proposed contractors have complied with the terms and conditions of the agreements and performed satisfactorily in the delivery of the agreed upon services. When necessary, technical assistance has been provided to resolve any performance issues. VCBH is satisfied with the performance of the proposed contractors and anticipates that services to be provided will continue to meet or exceed expectations for service delivery in the next term. Ongoing monitoring, which will be inclusive of the new CalAIM requirements, will continue to be conducted throughout the coming fiscal year to review contractor compliance and ensure the provision of appropriate high-quality program services.

VCBH requests approval of, and authorization for the VCBH Director or designee to sign, four (4) agreements with various contractors effective July 1, 2023 through June 30, 2024 for Drug Medi-Cal Organized Delivery System (DMC-ODS) Substance Use Disorder (SUD) services, increasing the combined maximum of the agreements from \$15,385,289 to \$16,100,988 (a combined increase of \$715,699), as further specified in the table included in Recommendation #1 above and more fully described in the Exhibit 1 (FY 2023-24 VCBH DMC-ODS SUD Contracts Summary).

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 agreements listed in Recommendation #1 (Exhibits 2 – 5), to approve contract modifications that do not increase the amount of the agreements, such as modifications to the Provider Service Rates and Current Procedural Terminology (CPT) Codes Table in the Agreements, corrections, clarifications and technical changes consistent with the original purpose of the agreements, 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 each of the agreements referenced in Recommendation #1 (Exhibits 2-5), 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.

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 Director Scott Gilman at (805) 981-2214 or Health Care Agency Assistant Chief Financial Officer Narcisa Egan at (805) 973-5357.



SCOTT GILMAN, MSA
Behavioral Health Director



BARRY L. ZIMMERMAN
Health Care Agency Director

Attachments:

- Exhibit 1 – FY 2023-24 VCBH DMC-ODS SUD Contract Summary
- Exhibit 2 – FY 2023-24 Aegis - Agreement
- Exhibit 3 – FY 2023-24 HealthRIGHT 360 - Agreement
- Exhibit 4 – FY 2023-24 Tarzana - Agreement
- Exhibit 5 – FY 2023-24 Western - Agreement