

July 23, 2019

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 (VCBH) or Designee to Sign, the Third Amendment to the Agreement for Narcotic Treatment Program Services with Aegis Treatment Centers, LLC to Increase the Agreement Maximum Amount for Fiscal Year 2019-20 from \$6,934,014 to \$6,984,014 (an Increase of \$50,000) to Pay for Services Rendered in the Prior Fiscal Year; Ratification of VCBH's Authorization to Provide Services in Excess of the Agreement Maximum Amount in the Prior Fiscal Year.

RECOMMENDATIONS:

1. Approval of, and authorization for the Ventura County Behavioral Health (VCBH) Director or designee to sign, the Third Amendment to the Agreement for Narcotic Treatment Program services with Aegis Treatment Centers, LLC (Aegis) (Exhibit 1), to increase the maximum agreement amount for fiscal year (FY) 2019-20 from \$6,934,014 to \$6,984,014 (an increase of \$50,000) to pay for services rendered in FY 2018-19.
2. Ratification of VCBH's authorization of Aegis to provide services in excess of the agreement maximum amount in FY 2018-19.

REASON FOR RATIFICATION:

Due to an increased need for services in FY 2018-19, VCBH authorized Aegis to provide additional services. Billing for these services exceeded the maximum agreement amount for that fiscal year. The payments set forth in the proposed amendment will compensate Aegis for the additional services provided.

FISCAL/MANDATES IMPACT:

ADP BU# 3220-3231 (Narcotic Treatment Program Services)

Mandatory: No ☐ Yes ☒ Cite Authority: Affordable Care Act
Source of Funding: Drug Medi-Cal Federal Financial Participation (DMC FFP) and 2011 Realignment (Realignment) funds
Funding Match Required: None
Impact on Other Department(s): None

	<u>2018-2019</u>	<u>2019-2020</u>
Summary of Revenue and Total Costs		
Revenue:	\$50,000	\$6,984,014
Costs:		
Direct Cost	\$50,000	\$6,984,014
Indirect - Dept.	\$0	\$0
Total Costs	\$50,000	\$6,984,014
Net County Costs	\$0	\$

FY 2019-2020 Adjusted Budget for Narcotic Treatment Provider Services BU# 3231				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$8,946,271	\$8,946,271	\$8,946,271	0
Revenue	\$8,647,971	\$8,647,971	\$8,647,971	0
Net Cost	\$298,300	\$298,300	\$298,300	0

Note: Sufficient revenue and appropriations are included in the FY 2019-20 adopted budget for ADP Narcotic Treatment Program Services Budget Unit 3220-3231.

DISCUSSION:

Aegis provides outpatient Opioid/Narcotic Treatment Program and Medication Assisted Treatment (MAT) services for adults. With the implementation of the Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver in December 2018, utilization of Opioid/Narcotic Treatment Program services has increased as more clients have become eligible for expanded MAT services. Increased care coordination efforts and referrals have also increased client access to MAT across the continuum of care. Aegis currently has clinics in Oxnard, Santa Paula, Simi Valley, and Ventura with a total licensed capacity of 1,310 clients. Aegis provided services to 878 DMC clients in FY 2017-18. From July 1, 2018 to April 30, 2019, Aegis served 894 DMC clients.

The proposed Third Amendment to the Agreement with Aegis increases the maximum agreement amount an additional \$50,000 to \$6,984,014. This increase is needed to address the increase in clients that required services in FY 2018-19 and to make payments in FY 2019-20 for these services. This agreement is funded with DMC FFP and 2011 Realignment funds.

VCBH recommends approval of and authorization for the VCBH Director or designee to sign the Third Amendment to the Agreement for Narcotic Treatment Program services with Aegis, increasing the maximum agreement amount for FY 2019-20 from \$6,934,014 to \$6,984,014 (an increase of \$50,000) to pay for services rendered in FY 2018-19.

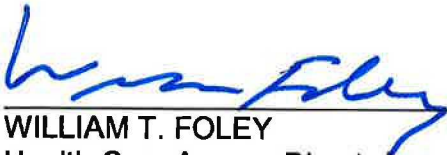
This Board letter has been reviewed by the County Executive Office, Auditor-Controller's Office, and County Counsel. If you have any questions regarding this item, please contact Sevet Johnson at (805) 981-1181.



SEVET JOHNSON, PsyD
Behavioral Health Director



KARLA VALLE
HCA Chief Financial Officer



WILLIAM T. FOLEY
Health Care Agency Director

Attachment:

Exhibit 1 - FY 2019-20 Aegis – 3rd Amendment