

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

December 19, 2023

FROM

GEORGINA YOSHIOKA, Director, Department of Behavioral Health

SUBJECT

Contracts for Substance Use Disorder Narcotic Treatment Program Services

RECOMMENDATION(S)

1. Approve **Amendment No. 3** to **Contract No. 19-240** with Aegis Treatment Centers, LLC, for the provision of substance use disorder Narcotic Treatment Program services, effective retroactively to July 1, 2023, increasing the amount by \$800,000, from \$25,146,438 to \$25,946,438, with no change to the contract period of July 1, 2019 through December 31, 2023.
2. Approve **Contract No. 23-1360** with West Coast Health Care Services, Inc. dba Colton Clinical Services, for the provision of substance use disorder Narcotic Treatment Program services, in the amount of \$11,918,046 for the contract period of January 1, 2024 through December 31, 2027.

(Presenter: Georgina Yoshioka, Director, 252-5142)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

This item will not result in the use of Discretionary General Funding (Net County Cost). The amended contract and new contract total amount of \$37,864,484 will be funded by 2011 Realignment and Federal Financial Participation Drug Medi-Cal funds. Adequate appropriation and revenue are included in the Department of Behavioral Health's (DBH) 2023-24 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

DBH is responsible for providing mental health and Substance Use Disorder (SUD) services to San Bernardino County (County) residents experiencing severe mental illnesses and/or SUD. Through its Substance Use Disorder and Recovery Services (SUDRS) division, DBH offers a comprehensive range of SUD prevention, treatment, and education services to County communities and residents. These services are facilitated via contracts with Community-Based Organizations (CBOs) and County-operated clinics, aiming to foster prevention, intervention, recovery, and resiliency for individuals and their families.

The SUDRS provider network primarily consists of contracted CBOs that offer SUD prevention and treatment services. One available treatment option within the Drug Medi-Cal Organized Delivery System continuum of care is the Narcotic Treatment Program (NTP). Authorized

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providers supply Narcotic Replacement Therapy (NRT) treatment to eligible County Medi-Cal beneficiaries at outpatient clinics. These clinics are licensed by the Department of Health Care Services (DHCS) and are endorsed by DBH.

NRT is an umbrella term that encompasses a variety of pharmacological and non-pharmacological treatments, including therapeutic use of methadone to extinguish drug cravings. The result is a continuously maintained state of drug tolerance in which euphoria, intoxication, or withdrawal symptoms are not experienced. The nature of services provided (such as dose, level of care, length of service) is determined by the patient's clinical needs, but such services always include regularly scheduled counseling sessions and daily medication within a structured program. These services are provided in accordance with the requirements of Title 9, California Code of Regulations (CCR), Chapter 4, and Title 22 of the CCR and related directives as they pertain to Medi-Cal.

DHCS determines the client capacity and specifies the number of NTP licensed slots based on the recommendation of the DBH Director, as the DBH Alcohol and Drug Administrator. DBH is responsible for ensuring that NTP providers comply with all relevant Federal and State regulations and adhere to DBH service standards including performing fiscal reviews to ensure costs claimed are reasonable, allowable, and in compliance with related financial records and procedures.

Since 2002, Aegis Treatment Centers, LLC (Aegis) and West Coast Health Care Services, Inc., dba Colton Clinical Services (WCHS), have provided substance abuse prevention and treatment services for the County through contracted services. Both agencies have met Drug Medi-Cal requirements and are certified by the State. These are the only two agencies available to the County providing this required service to Medi-Cal beneficiaries.

In 2022-23, 136,789 service units were provided to 819 unduplicated clients by Aegis, and 111,019 service units were provided to 458 unduplicated clients by WCHS. Aegis clients are located throughout the county, whereas WCHS serves clients regionally located in the Colton area. Based on a historical review of services by WCHS, DBH estimates that 1,794 clients will be served during the proposed contract period at an average cost of \$6,643 per client. Approval of Recommendation No. 2 will allow WCHS to continue to provide NTP services to county residents.

DBH is requesting retroactive approval of the amendment for the rate increase of Contract No. 19-240 with Aegis to July 1, 2023. DBH became aware of the need for retroactive approval in August 2023 and then entered into an extensive re-negotiation for a rate increase to match the CalAIM NTP rate for 2023-24. An agreement was reached on November 28, 2023, which will allow for the continued services of this program. A new contract replacing Contract No. 19-240 with Aegis is currently being negotiated, to be presented to the Board of Supervisors (Board) for approval once finalized, and services will continue through its implementation.

On April 30, 2019 (Item No. 18), the Board approved the contract with Aegis in the amount of \$17,080,000, and a contract with WCHS in the amount of \$10,428,290, to provide NTP services, both for the period of July 1, 2019 through December 31, 2022.

On June 8, 2021 (Item No. 28), the Board approved Amendment No. 1 to the contract with Aegis, increasing the total contract amount by \$2,124,292, from \$17,080,000 to \$19,204,292, due to increased costs of medications provided during NTP treatment, with no change to the contract period.

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On September 27, 2022 (Item No. 23), the Board approved Amendment No. 1 to the contract with WCHS, increasing the total contract amount by \$2,979,512, from \$10,428,290 to \$13,407,802, and extending the contract for one year, for the total contract period of July 1, 2019 through December 31, 2023, and Amendment No. 2 to the contract with Aegis, increasing the total contract amount by \$5,942,146, from \$19,204,292 to \$25,146,438 and extending the contract for one year, for the total contract period of July 1, 2019 through December 31, 2023. The contract increases resulted from adding NTP services to adolescent clients under the age of 19.

PROCUREMENT

DHCS is responsible for NTP oversight and licensing requirements; therefore, a procurement is not conducted for these SUD services. Aegis and WCHS are licensed by DHCS to provide SUD treatment services and are the only two agencies within the county that provide the required NTP services. Purchasing supports these non-competitive contracts based on a special qualification for these SUD services.

REVIEW BY OTHERS

This item has been reviewed by Behavioral Health Contracts (Ellayna Hoatson, Contracts Supervisor, 388-0858) on December 1, 2023; County Counsel (Dawn Martin, Deputy County Counsel, 387-5455) on December 5, 2023; Purchasing (Jessica Barajas, Supervising Buyer, 387-2065) on October 25, 2023; Finance (Christopher Lange, Administrative Analyst, 386-8393) on December 4, 2023; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on December 4, 2023.

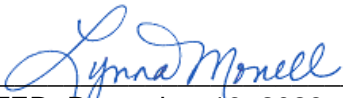
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Col. Paul Cook (Ret.)
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 19, 2023



cc: DBH - Yoshioka w/agrees
 Contractor c/o DBH w/agree
 File - w/agree
MA 01/3/2024