

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

June 9, 2026

FROM

JOSHUA DUGAS, Acting Director, Department of Behavioral Health

SUBJECT

Amendments to Contracts for Substance Use Disorder and Recovery Services, Non-Residential Drug Court Services

RECOMMENDATION(S)

1. Approve amendments to the following contracts, for the provision of Substance Use Disorder and Recovery Services, Non-Residential Drug Court Services, updating standard contract language, and increasing the combined contract amount by \$5,697,837, from \$10,520,430 to \$16,218,267, with no change to the contract period of January 1, 2025 through September 30, 2029:
 - a. High Desert Child, Adolescent and Family Services Center, Inc., **Amendment No. 1 to Contract No. 24-1309**, increasing the amount not to exceed by \$3,321,526, from \$3,106,648 to \$6,428,174.
 - b. Inland Valley Drug and Alcohol Recovery Services dba Inland Valley Recovery Services, **Amendment No. 3 to Contract No. 24-1310**, increasing the amount not to exceed by \$2,376,311, from \$7,413,782 to \$9,790,093.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments as detailed in the Financial Impact section (Four votes required).
(Presenter: Joshua Dugas, Acting Director, 252-5142)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote and Fulfill the Countywide Vision.

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

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The recommended contract increase of \$5,697,837, is needed due to higher costs per client under California Advancing and Innovating Medi-Cal (CalAIM) initiatives for clients receiving Substance Use Disorder and Recovery Services (SUDRS), Non-Residential Drug Court (Drug Court) services, effective January 1, 2026.

The increase will be funded by \$5,128,053 (90%) from Federal Financial Participation Drug Medi-Cal (FFP) funding and \$569,784 (10%) transferred from existing ongoing 2011 Realignment funding from Fund Center 9200001000 to Fund Center 1010571000, which will be backfilled with 1991 Realignment reserves.

Amendments to Contracts for Substance Use Disorder and Recovery Services, Non-Residential Drug Court Services
June 9, 2026

Of the total increase, \$759,712 is required in 2025-26 and will be funded by \$683,741 in FFP funding, and \$75,971 transferred from existing ongoing 2011 Realignment funding, to be backfilled with 1991 Realignment reserves.

The remaining \$4,938,125 will be included in a future Department of Behavioral Health (DBH) 2026-27 budget adjustment request, and future recommended 2027-28, 2028-29, and 2029-30 recommended budget, being funded by \$4,444,314 FFP funding, and \$493,811 transferred from existing ongoing 2011 Realignment funding, to be backfilled with 1991 Realignment reserves.

DBH requests the following adjustments to the 2025-26 budget:

Fund Center	Commitment Item	Description	Action	Amount
1010571000	52002445	Other Professional & Specialized Services	Increase	\$759,712
1010571000	40408855	Medi-Cal Inpatient	Increase	\$683,741
1010571000	40458711	Realignment 2011	Increase	\$75,971
9200001000	40458711	Realignment 2011	Decrease	\$75,971
9200001000	40458700	State Realignment Revenue	Increase	\$75,971
1169001010	40458700	State Realignment Revenue	Decrease	\$75,971
1169001010	40458702	Realignment Reserve (Budget)	Increase	\$75,971

Adequate appropriation and revenue have been included in the Department of Behavioral Health's (DBH) 2026-27 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 illness and/or SUD. Through its SUDRS division, DBH delivers a comprehensive continuum of SUD prevention, treatment, and education services to County communities. These services are facilitated via contracts with community-based organizations and County-operated clinics, to promote prevention, intervention, recovery, and long-term resiliency for individuals and their families.

Since 1994, DBH has contracted with qualified providers to deliver Drug Court services for adult and juvenile clients. Drug Court coordinates multiple community partners to support offenders, promote consistent judicial decisions, and improve agency collaboration. These services focus on reducing substance use relapse and criminal recidivism through comprehensive assessments, judicial interaction, case monitoring, counseling, education, treatment, and individualized support.

On December 17, 2024 (Item No. 30), as a result of a formal procurement, the Board of Supervisors (Board) approved Contract No. 24-1309, with High Desert Child, Adolescent and Family Services Center, Inc., in the amount of \$3,106,648, and Contract No. 24-1310 with Inland Valley Drug and Alcohol Recovery Services dba Inland Valley Recovery (IVRS) in the amount of \$4,290,134, for a combined contract total of \$7,396,782, for the period of January 1, 2025 through September 30, 2029.

**Amendments to Contracts for Substance Use Disorder and Recovery
Services, Non-Residential Drug Court Services
June 9, 2026**

On September 23, 2025 (Item No. 38), as a result of a formal procurement, the Board approved Amendment No. 1 to Contract No. 24-1310, with IVRS for Drug Court services, expanding service into the West Valley region, increasing the contract amount by \$2,303,828, from \$4,290,134 to \$6,593,962, with no change to the contract period of January 1, 2025 through September 30, 2029.

On December 16, 2025, (Item No. 29), the Board approved contract-amendment templates to update the provisional payment language in contracts with providers of specialty mental health and/or SUDRS to reflect a fee-for-service (FFS) payment methodology. As part of the California Department of Health Care Services (DHCS) CalAIM, DBH has shifted from cost-based reimbursement to FFS with eligible providers for Medi-Cal billable services, streamlining administrative processes to prioritize equitable health outcomes for all Californians.

In December 2025, DBH reviewed the finalized FFS rates and determined that, based on historical utilization patterns and recent provider cost data, providers had been reimbursed at levels below their actual costs. In addition, the new uniform FFS structure, developed using aggregated provider data from all DBH programs, further elevated costs for some programs, resulting in increased costs per client for DBH following the implementation of the FFS rates.

On January 13, 2026 (Item No. 21), the Board approved Amendment No. 2 to Contract No. 24-1310, with IVRS for Drug Court services, updating standard contract language, increasing the contract amount by \$819,820, from \$6,593,962 to \$7,413,782, with no change to the contract period of January 1, 2025 through September 30, 2029.

The requested increase of \$5,697,837 will prevent service disruptions and ensure compliance with CalAIM requirements, including the required shift to FFS payment models under the Behavioral Health Payment Reform. Additionally, approval of the recommendation will update standard language to include Behavioral Health Services Act requirements, effective July 1, 2026, and the Levine Act – Campaign Contribution Disclosure (formerly Senate Bill 1439).

During 2024-25, the Drug Court program provided services to:

- Approximately 347 unduplicated clients;
- Estimated cost of \$6,383 per client.

DBH projects providing services for the following for the remainder of the contract term:

- Approximately 1,301 unduplicated clients;
- Estimated cost of \$10,763 per client, based on the new FFS payment models.

DBH will regularly review 1) client service data and progress, conduct site visits and annual monitoring to ensure performance and compliance standards of the contract(s) are met; 2) applicable claims data and claims for reimbursement to ensure fidelity and accuracy of service billing and optimization of Medi-Cal reimbursement in alignment with contract terms and DHCS billing requirements; and 3) provider invoices administratively and programmatically to ensure client and/or bed counts are accurate prior to payment processing.

PROCUREMENT

N/A

REVIEW BY OTHERS

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June 9, 2026**

This item has been reviewed by Behavioral Health (Marianna Martinez, Administrative Supervisor II, 383-3940) on April 29, 2026; County Counsel (Dawn Martin, Deputy County Counsel, 387-5455) on May 14, 2026; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-3035) on May 22, 2026; and County Finance and Administration (Iliana Rodriguez, Administrative Analyst, 386-8392) on May 26, 2026.

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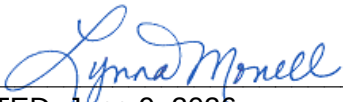
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 9, 2026



cc: DBH - Rodriguez w/agrees
Contractor - c/o DBH w/agree
File - w/agree

CCM 06/25/2026