

**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

Amendment to Contract with Inland Valley Drug and Alcohol Recovery Services dba Inland Valley Recovery Services for Substance Use Disorder Community-Based Recovery Service Center Services

RECOMMENDATION(S)

1. Approve **Amendment No. 3 to Contract No. 21-984**, with Inland Valley Drug and Alcohol Recovery Services dba Inland Valley Recovery Services, for the provision of Substance Use Disorder Community-Based Recovery Service Center services, updating standard contract language, and increasing the total contract amount by \$80,000, from \$5,210,794 to \$5,290,794, with no change to the contract period of January 1, 2022 to December 31, 2026.
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

Foster Sustainable Development Through Strategic Partnerships.

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 increase in contract costs of \$80,000, with Inland Valley Drug and Alcohol Recovery Services dba Inland Valley Recovery Services (IVRS) for Substance Use Disorder (SUD) Community-Based Recovery Service Center (CBRSC) services. is associated with California Advancing and Innovating Medi-Cal initiatives (CalAIM) fee-for-service (FFS) rates.

The increase will be funded by \$72,000 (90%) Federal Financial Participation Drug Medi-Cal (FFP) funding, and \$8,000 (10%) transferred from existing ongoing 2011 Realignment funding, from Fund Center 9200001000 to Fund Center 1010571000, which will be backfilled with 1991 Realignment reserves. Of the total increase, \$40,000 is required in 2025-26 and will be funded with \$36,000 FFP funding, and \$4,000 transferred from existing ongoing 2011 Realignment funding from Fund Center 9200001000 to Fund Center 1010571000, which will be backfilled with 1991 Realignment reserves. The remaining \$40,000 will be included in a future Department of Behavioral Health (DBH) 2026-27 budget adjustment and will be funded with \$36,000 FFP funding and \$4,000 transferred from existing ongoing 2011 Realignment funding, to be backfilled with 1991 Realignment reserves.

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

Fund Center	Commitment Item	Description	Action	Amount
1010571000	52002445	Other Professional & Specialized Services	Increase	\$40,000
1010571000	40408855	Medi-Cal Inpatient	Increase	\$36,000
1010571000	40458711	Realignment 2011	Increase	\$4,000
9200001000	40458711	Realignment 2011	Decrease	\$4,000
9200001000	40458700	State Realignment Revenue	Increase	\$4,000
1169001010	40458700	State Realignment Revenue	Decrease	\$4,000
1169001010	40458702	Realignment Reserve (Budget)	Increase	\$4,000

Adequate appropriation and revenue will be included in the Department of Behavioral Health's (DBH) 2026-27 recommended budget.

BACKGROUND INFORMATION

DBH is responsible for providing mental health and SUD services to residents of San Bernardino County (County) experiencing severe mental illness and/or SUD. An integral component of the service delivery system includes County-operated programs and contracted providers that deliver treatment and supportive services. As part of DBH's SUD continuum of care, CBRSCs provide social and recreational activities, parenting education, aftercare services, SUD education, life-skills development, and smoking reduction and cessation support for eligible clients. CBRSCs promote and reinforce positive behavioral change by offering substance-free activities within a supportive community environment.

On December 14, 2021 (Item No. 19), as a result of a formal procurement, the Board of Supervisors (Board) approved Contract No. 21-984, with IVRS to provide CBRSC services, in the amount of \$4,149,320, for the period of January 1, 2022 through December 31, 2026.

On April 23, 2024 (Item No. 23), the Board approved Amendment No. 1 to Contract No. 21-984, with IVRS, reflecting the legal name change from IVRS to Inland Valley Drug and Alcohol Recovery Services dba IVRS, adding the Central Valley service area, increasing the total contract amount by \$1,061,474, from \$4,149,320 to \$5,210,794, with no change to the contract period of January 1, 2022 to December 31, 2026.

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 Substance Use Disorder and Recovery Services (SUDRS) to reflect a FFS payment methodology. As part of the California Department of Health Care Services' (DHCS) CalAIM initiatives, 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.

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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. The requested \$80,000 increase will prevent service disruptions and ensure compliance with CalAIM requirements, including the required shift to FFS payment models under the Behavioral Health Payment Reform.

On March 26, 2026 Amendment No. 2 to Contract No. 21-984, with IVRS was executed, amending the provisional payment language through the delegated authority process authorized by the Board under the December 16, 2025 (Item No. 29) action.

Additionally, Amendment No. 3 to Contract No. 21-984 will also 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).

From 2022-25, the CBRSC program annually provided services to:

- Approximately 185 unduplicated clients;
- Estimated cost of \$5,633 per client per year.

For 2026, DBH projects the following services to be provided:

- Approximately 185 unduplicated clients;
- Estimated cost of \$6,066 per client.

DBH will implement mechanisms to 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 Department of Health Care Services billing requirements; and 3) provider invoices administratively and programmatically to ensure client and bed counts are accurate prior to payment processing.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by Behavioral Health (Marianna Martinez, Administrative Supervisor II, 383-3940) on May 4, 2026; County Counsel (Dawn Martin, Deputy County Counsel, 387-5455) on May 13, 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.

**Amendment to Contract with Inland Valley Drug and Alcohol Recovery
Services dba Inland Valley Recovery Services for Substance Use
Disorder Community-Based Recovery Service Center Services
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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/agree
Contractor - c/o DBH w/agree
File - w/agree
CCM 06/25/2026