

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Adult System of Care**

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Maureen F. Bauman, Director of Adult System of Care

DATE: June 19, 2012

SUBJECT: Contracts for Substance Use Treatment and Related Services

ACTION REQUESTED:

Approve contracts for substance use treatment services and transitional housing, including services related to AB109 (Public Safety Realignment) funding, from July 1, 2012 through June 30, 2014 with the following contractors, and authorize the Director of Health and Human Services to sign subsequent amendments up to 10% of the individual contract amounts or \$49,999, whichever is less, consistent with the current agreements' subject matter and Scope of Work:

- a. Aegis Medical Systems, Inc., in an amount not to exceed \$2,500,000;
- b. Center Point, in an amount not to exceed \$134,800;
- c. Koinonia Foster Homes, in an amount not to exceed \$608,000;
- d. New Leaf Counseling Services, in an amount not to exceed \$389,710;
- e. Progress House, in an amount not to exceed \$749,200;
- f. Recovery Now LLC, in an amount not to exceed \$53,800.

BACKGROUND:

Substance abuse treatment leads to reduced crime and enhanced public safety as well as savings in jail bed days, health care costs, and costs associated with child welfare. Evidence-based programs were selected in order to assure that programs will result in the best possible outcomes for this target population. Evidence-based programs have been a standard in Placer County and these practices result in improved outcomes for all persons seeking substance use treatment. County-wide, more than 1,200 County residents chose local treatment in order to work on their recovery last year. In Placer County, 60 percent of all participants successfully participated in treatment and recovery, which is comparable to the statewide average.

The primary drugs of choice in treatment include opiates (including both heroin and prescription drugs), methamphetamine, and alcohol. The increase in the use of heroin and opiates is both a national and local change as various forms of opiate prescriptions have become the primary drugs of abuse. Placer County programs will continue to utilize evidence-based approaches that best meet the needs of those seeking services. The Adult System of Care provides a centralized screening and assessment process via partnership with local emergency rooms, serving 500 individuals each year, to access the right level of care to meet their needs.

Placer County contracts with substance abuse treatment providers to operate a continuum of care including: detoxification, residential and outpatient treatment, educational programming (e.g. life skills, anger management, etc.), and transitional housing services to adolescents, women with children, and adults.

Health and Human Services and the County's public safety departments are using a collaborative approach to AB109 Realignment, consistent with the Placer County Community Corrections Partnership (CCP). As a result of the recent AB109 legislation, these services are being expanded to include clients eligible under the AB109 program.

To assure quality and provide the most cost-effective treatment services, Requests for Proposals (RFPs) are periodically conducted for these services. In addition to contracts awarded through these RFPs, certain contracts are required to facilitate payment to Drug Medi-Cal providers (Aegis, Koinonia, New Leaf) in accordance with State regulations. The remaining contracts (Center Point, Progress House, Recovery Now) are necessary to assure adequate treatment capacity within the community. The modalities provided by each of these contractors is detailed in the following table.

**Contracts for Residential and Outclient Substance Use Disorders,
Transitional Housing, and Other Treatment Services**

Provider	Modalities Awarded	FY 2012-14 Total Award Amount
Aegis Medical Systems	Methadone Maintenance Treatment	\$2,500,000
Center Point	Residential	\$134,800
Koinonia Foster Homes	Outclient	\$608,000
New Leaf Counseling Services	Residential, Outclient	\$389,710
Progress House	Residential, Outclient, Transitional Housing	\$749,200
Recovery Now LLC	Transitional Housing	\$53,800
Total		\$4,435,510

These contracts were reviewed and recommended for approval by the Mental Health, Alcohol, and Drug Advisory Board at its regular meeting on May 21, 2012.

FISCAL IMPACT:

The aggregate two-year amount for these six contracts is \$4,435,510. Funding is comprised of \$4,329,951 (95.6%) from Federal and State sources, and required County General Funds of \$105,559 (4.4%). Of these amounts, half is included in the Department's FY 2012-13 Proposed Budget and the remainder will be included in the Department's FY 2013-14 Requested Budget.

These contracts are on file with the Clerk of the Board for review.