

**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 27, 2006

**SUBJECT:** Approve Substance Abuse Treatment Service Contract Amendments

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**ACTION REQUESTED:**

Approve amendments to nine 2005-06 substance abuse treatment contracts totaling \$3,616,751, (a decrease of \$256,663); extend the contract term through FY 2006-07; and authorize the Chairman of the Board to sign.

**BACKGROUND:**

The Adult System of Care (ASOC) administers a total of ten contracts to provide alcohol and drug treatment services. Consistent with past practice regarding routine amendments and changes, the proposed amendments to nine of these two-year contracts are being presented for approval as a group. Three contracts contain funding increases, five contain decreases, and one remains the same.

These nine amendments will also extend the contract period by 12 months, through FY 2006-07. This will enable ASOC to complete a Request for Proposal (RFP) process for both out-client and residential treatment services. All contract reductions are based upon lower than expected utilization in FY05-06. A list of the contracts, types of services, change in contract dollar amounts and brief explanations are attached. The tenth contract (Sierra Family Services) will be brought to your Board for approval by the Children's System of Care on August 1, 2006.

Approximately 300 persons are served annually in Placer County in our Drug Court and Proposition 36 Programs, and another 200 persons are served in contracted residential treatment services and 800 persons in contracted out-client treatment services. The current performance data reflects the Proposition 36 and Drug Court programs have saved approximately \$2,000,000 minimum-security jail and prison bed days for persons who have successfully completed drug treatment as an alternative to incarceration.

Treatment graduates are more likely to be employed. On average, 30% of Drug Court clients are unemployed when they enter the program, and 80% are employed when they graduate. Drug Court clients who achieve recovery reduce their criminal behavior by 80% creating safer communities.

Research shows that, with treatment, alcohol and drug related medical visits and criminal activity decrease while financial self-sufficiency improves. Treatment has proven to be cost effective. Research estimates that for every dollar spent on treatment there are savings of up to 12 dollars in reduced crime and health care costs. The entire community benefits from these programs.

**FISCAL IMPACT:**

The substance abuse treatment contract amendments represent a total decrease of \$256,633 from the previous FY, and are funded through Adult and Children's System of Care budgets. There is no fiscal impact to the County General Fund.

Systems of Care Contract Amendments  
June 27, 2006

ATTACHMENT 1

| Contractor                                       | Contract Number | Service  | FY2005/06 Amount   | FY2006/07 Amount   | Amount of Amendment | Reason for Amendment |
|--|-----------------|--|--|--------------------|---------------------|----------------------|
|  |                 | <b>Substance Abuse Treatment Services</b>                  | The following contract amendments will allow necessary time to complete the RPF process for Out-Client and Residential treatment services. We have also reviewed and evaluated the program trends and program expenditures, and contracts have been adjusted to maximize funds (primarily State and Federal dollars) for services. The decreases are based upon lower than expected utilization in FY05-06. There is no fiscal impact to the County General Fund as a result of these increases. |                    |                     |                      |
| Aegis Medical Systems                            | 11872-D         | Methadone Treatment  | \$673,000  | \$673,000          | \$0                 | See Above            |
| Community Recovery Resources                     | 11873-D         | Perinatal Residential                                      | \$356,629  | \$246,629          | (\$110,000)         | See Above            |
| The Effort                                       | 11874-C         | Residential  | \$73,000   | \$78,000           | \$5,000             | See Above            |
| Koionia Foster Homes, Inc.                       | 11875-B         | Out client   | \$180,000  | \$150,000          | (\$30,000)          |                      |
| New Leaf Counseling Services                     | 11876-C         | Out client, Perinatal Residential and Transitional Housing | \$672,000  | \$642,000          | (\$30,000)          | See Above            |
| Progress House                                   | 11904-B         | Out Client, Residential and Transitional Living            | \$331,000  | \$231,000          | (\$100,000)         | See Above            |
| Rocklin Community Counseling                     | 11877-D         | Out client and Residential                                 | \$431,500  | \$434,146          | \$2,646             | See Above            |
| Sierra Council on Alcoholism and Drug Dependence | 11879-C         | Out client, Perinatal Residential and Detox                | \$685,135  | \$711,976          | \$26,841            | See Above            |
| Substance Abuse Growth and Recovery Institute    | 11878-D         | Out client and Residential                                 | \$471,120  | \$450,000          | (\$21,120)          | See Above            |
| <b>TOTAL</b>                                     |                 |  | <b>\$3,873,384</b>   | <b>\$3,616,751</b> | <b>(\$256,633)</b>  |                      |

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## The following Contracts for Substance Abuse Treatment Services:

1. Aegis Medical Systems
2. Community Recovery Resources
3. The Effort
4. Koinonia Foster Homes, Inc.
5. New Leaf Counseling Services
6. Progress House
7. Rocklin Community Counseling Center
8. Sierra Council on Alcoholism and Drug Dependence
9. Substance Abuse Growth & Recovery Institute

are on file with the Clerk of the Board for BOS meeting:

**June 27, 2006**

