

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Adult System of Care

TO: Honorable Board of Supervisors

FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services
Maureen F. Bauman, Director of Adult System of Care

DATE: March 25, 2014

SUBJECT: Substance Use Treatment Contract Amendments FY 2013-14

ACTION REQUESTED:

1. Authorize the assignment of contract CN013169 from Aegis Medical Systems, Inc., a California corporation, to Aegis Treatment Centers, LLC effective January 11, 2014.
2. Approve the following contract amendments for a total increase of \$347,600 (\$73,800 net County cost) for the period from July 1, 2012 through June 30, 2014, and authorize the Director of Health and Human Services to sign the resulting amendments and subsequent amendments up to 10 percent of the total contract amount, consistent with the current agreement's subject matter and scope of work:
 - a. Amendment CN013174-A with Recovery Now LLC, increase Child Welfare Services (CWS) funding \$25,600 for a revised contract total of \$79,400;
 - b. Amendment CN013172-B with New Leaf Counseling Services, increase CWS funding \$122,000 for a revised contract total of \$765,710;
 - c. Amendment CN013165-B with PES-ebs, Inc., increase AB109 funding \$50,000 for a revised contract total of \$240,000;
 - d. Amendment CN013169-A with Aegis Treatment Centers, LLC, increase Medi-Cal funding \$150,000 for a revised contract total of \$2,650,000.

BACKGROUND:

Substance use treatment is critical to the residents of Placer County. Substance use disorders are the number one health epidemic according to the National Center on Addiction and Substance Abuse. Placer County experienced a 4.7 percent increase in admissions to treatment between FY 2011-12 and FY 2012-13. Sobriety leads to positive outcomes such as child re-unification, decreased recidivism, public safety, decreased health care costs, and reduced homelessness. Additional funding, outreach and engagement, and mandated treatment lead to higher treatment utilization and improved outcomes.

Recovery Now, located in Placer County, is a sober living environment provider of transitional housing services. Sober living in combination with outpatient treatment is a highly effective method of treatment and is being utilized by Child Welfare Services at a higher rate than anticipated due to increased demand and effective results.

New Leaf Counseling Services is the only residential treatment provider located in Placer County that allows mothers and children to reside together during the treatment process. An increase in contract amounts is required due to increased demand for mandatory child protective services and the critical role of substance use treatment in the re-unification of families.

PES-ebs provides an evidence-based, group therapy treatment in the Placer County Jail and in the community. There are six group treatment sessions currently running in the Placer County Jail weekly, serving about 90 inmates each week. Class utilization, combined with encouraging continued participation upon release from custody, necessitates the contract increase through available AB109 funding provided to Health and Human Services for contracted treatment needs.

Aegis Treatment Centers provides methadone treatment, a Drug Medi-Cal (DMC) covered medication assisted treatment for substance use. Many Placer County residents previously ineligible for DMC are now eligible to have this service paid through DMC, thus exceeding anticipated utilization of funds. DMC is a mandated service for medically eligible individuals funded with State and Federal dollars.

The Mental Health, Alcohol, and Drug Advisory Board approved these contract amendments at its February 24, 2014 board meeting.

FISCAL IMPACT:

The substance use treatment contract amendments will add expenditures totaling \$347,600 under these contracts in FY 2013-14. The increased expenditures have been included in the Department's FY 2013-14 Final Budget. The funding will utilize \$223,800 (65 percent) State and Federal funds, \$50,000 (14 percent) AB 109 funds and \$73,800 (21 percent) County General Funds.

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