

**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: April 7, 2015

SUBJECT: Approve Amendments for Aegis and CORR Substance Use Contracts

ACTION REQUESTED:

1. Approve first amendment to contract CN013450 with Aegis Treatment Centers, LLC, increasing the compensation by \$600,000, for a revised total amount of \$4,120,000 (no net County cost) from July 1, 2014 through June 30, 2016, and authorize the Director of Health and Human Services to sign subsequent amendments up to 10 percent of the total contract amount, consistent with the agreement's subject matter and scope of work.
2. Approve and authorize the Director of Health and Human Services to sign termination of contract CN005698 with Community Recovery Resources (CORR), and approve first amendment to contract CN0013442 with Community Recovery Resources (CORR), increasing the compensation by \$630,000 and adding youth services for a revised total amount of \$2,816,000 (\$250,600 net County cost) from July 1, 2014 through June 30, 2016, and authorize the Director of Health and Human Services to sign subsequent amendments up to 10 percent of the total contract amount, consistent with the agreement's subject matter and scope of work.
3. Approve corresponding FY 2014-15 budget revisions.

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. County-wide 1,463 county residents chose local treatment in order to work on their recovery last year. There has been a significant increase in the number of those served who are now eligible for Drug Medi-Cal since the implementation of the Affordable Care Act. Drug Medi-Cal services are an entitlement to those eligible and with more people qualifying for coverage, contract utilization is seeing a steady increase. This is the primary reason for these amendments.

Aegis (funded with Drug Medi-Cal) provides Methadone Maintenance Treatment Services. Methadone is a highly effective medication assisted therapy for people addicted to Opioids (e.g. Pain Killers, Heroin), and is the treatment of choice for women who were using opiates when they became pregnant. The anticipated increase of persons on Medi-Cal needing this service has resulted in this contract increase.

CORR provides a large continuum of care for Placer County residents such as: Detox, Residential, Perinatal Services, Out-Client, Intensive Out-Client, Transitional Living, Educational Programming and Adolescent Out-Client services. CORR also has co-occurring competent care through the use of substance use and mental health professionals. The CORR amendment is necessary to address the increased number of persons on Medi-Cal needing these services, increasing access to youth treatment, serving individuals through AB109 by moving underutilized funds from other contracts, and providing access to treatment for adult and adolescent who have seriously mental health issues with identified funds through the Mental Health Services Act.

\$120,000 (20%) of this increase is a result of combining contract CN005698 (CORR Adolescent Treatment contract) into one CORR contract serving adults and youth resulting in increased access to adolescent treatment through leveraging available funding sources. Sixty (60%) is the anticipated need for increased Drug Medi-Cal Services and 20% is the result of moving unused funds and increasing mental health funds.

These contracts were reviewed and recommended for approval by the Mental Health, Alcohol, and Drug Advisory Board at its regular meeting on March 23, 2015.

FISCAL IMPACT:

These two amendments will increase contract expenditures by \$1,230,000 to a new total of \$6,936,000 for the two contracts. \$70,000 of the increase is included in the Final Budget for the Department for Fiscal Year 2014-15 and a Budget Revision for \$545,000 is required for the balance of the increase for Fiscal Year 2014-15. The remaining increase of \$615,000 was included in the Requested Budget for the Department for Fiscal Year 2015-16. The contracts total of \$6,936,000 is funded by \$6,685,400 of Federal and State funds and \$250,600 of required County General Funds match. These two amendments require no additional County General Funds.

The contracts and budget revision are on file with the Clerk of the Board for review.

PAS DOCUMENT NO.

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
14	BR	1,090,000.00	5

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

3/2/15 Auditor-Controller

County Executive

Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT

APPROPRIATION ADJUSTMENT

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
14	006				994293	94293	7409			225,000.00
14	006				994293	94293	7187			40,000.00
14	006				994293	94293	7270			104,000.00
14	006				994293	94293	7419			176,000.00
TOTAL										545,000.00

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
14	014				994293	94293	2555			545,000.00
TOTAL										545,000.00

REASON FOR REVISION: To increase appr expenses for additions to Professional Services contracts exceeding the Final Budget for Appn 42930. To increase Federal Drug MediCal \$225,000 (50% of \$450,000) and other Federal rev \$280,000 thru DHCS and State Mental Health \$40,000 thru DHCS.

Prepared by Jim Nissen Ext 3143
 Department Head *[Signature]*
 Board of Supervisors _____

Date: 3/4/15

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Budget Revision # _____ FOR INDIVIDUAL DEPT USE

2015 MAR -4 PM 12:49

FOR-CONTROLLER

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