



Legislation Text

File #: 19-569, **Version:** 1

Approve a second amendment to the contract with Ujima Family Services for \$79,487 to provide residential, outpatient, and detoxification treatment for substance use disorders from July 1, 2019 to June 30, 2020; Approve \$30,173 of the contract be made available immediately to use as startup funds; Authorize the County Administrator to execute the amendment; and Authorize the Director of Health and Social Services to execute any amendments which are technical or administrative in nature and have no fiscal impact

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of Health and Social Services (H&SS) recommends that the Board of Supervisors approve a second amendment to the contract with Ujima Family Services for \$79,487 to provide residential, outpatient, and detoxification treatment for substance use disorders from July 1, 2019 to June 30, 2020; approve \$30,173 of the contract be made available immediately to use as startup funds; authorize the County Administrator to execute the amendment; and Authorize the Director of Health and Social Services to execute any amendments which are technical or administrative in nature and have no fiscal impact.

SUMMARY:

The County is responsible for overseeing a substance use treatment service continuum under its Drug Medi-Cal (DMC) and Substance Abuse Block Grant (SABG) requirements with the State Department of HealthCare Services (DHCS). Until recently, two outpatient substance abuse treatment providers, Anka Behavioral Health and Recovery Connection, operated in Vallejo. Anka Behavioral Health, Inc. operated the larger of the two programs and supplied a full array of services to County residents. Anka recently filed bankruptcy and ceased all operations on May 31, 2019. The smaller of the two outpatient programs, Recovery Connection, has absorbed some of Anka's former clients but does not have the infrastructure to expand their program substantially.

Ujima Family Services, Inc. currently contracts with Solano County to provide residential treatment and the proposed contract expands that contract to include outpatient service delivery in Vallejo. Ujima has assumed the necessary DMC certification which Anka held for the Vallejo location.

This contract also provides \$30,173 in start-up funds that will be provided at the outset of the contract and will be reimbursed at \$5,000 per month to the County through the monthly claiming process beginning October 2019. The advance will provide the agency with cash flow necessary to initiate operations of the new service program and is needed due to the lag period between start-up costs and the anticipated first reimbursement check.

DISCUSSION:

The contract was initiated on July 1, 2017, for delivery of residential drug treatment services. While the contract language allowed for outpatient services, Ujima has not previously provided that service under the contract. The first amendment to the contract, dated April 23, 2018, amended the service rates and added new State requirement. This second contract amendment also includes new State requirements. The contract

identifies a 3-month budget for \$79,487, identified to reimburse according to the actual costs of the start-up period. Because it can take some time for a new program to build up its caseload enough to cover its costs through fee for service reimbursement, payment in a fee for service model would not be financially feasible for the vendor during the early months of the program. After the first three months of operation, the program will be reimbursed in a fee for service mechanism as outlined in the contract and similar to other DMC vendors.

The California Department of Health Care Services has a mechanism for transferring DMC certification to new providers when an existing provider ceases operation. This allows for a minimized disruption in service delivery and the ability to receive State and Federal reimbursement for services delivered.

FINANCIAL IMPACT:

This contract transfers services and associated costs that are included in the H&SS FY2019/20 Adopted Budget previously allocated to another vendor. There are no County General Funds in this contract. The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2019/20 Adopted Budget.

ALTERNATIVES:

The Board could choose not to approve the contract, but that will reduce the access to outpatient treatment for Vallejo and Benicia residents who need substance use disorder treatment. The County is required to maintain an adequate service network.

OTHER AGENCY INVOLVEMENT:

No other County agencies are involved.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION