A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/15/2020
Agenda Placement: 6F

NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO:	Board of Supervisors
FROM:	Shelli Brobst for Jennifer Yasumoto - Director Health & Human Services Administration
REPORT BY:	Shelli Brobst, Contracts Manager - 253-4720
SUBJECT:	Amendment No. 2 to Agreement with Center Point, Inc.

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 2 to Agreement No. 190155B with Center Point, Inc., adding and updating contract Terms and Conditions, incorporating Exhibit I, amending the Compensation exhibit, and increasing the maximum by $174,823 for a new maximum of $1,732,436 for the term July 1, 2020 through June 30, 2021 and each subsequent renewal for the operation of a residential substance abuse treatment program.

EXECUTIVE SUMMARY

Approval of the requested action will amend the Agreement with Center Point, Inc. to:

1. Update contract administration terms and conditions to reflect the name and contract administrator to list the current Alcohol and Drug Administrator;
2. Add Specific Term and Condition 3.1 (k) to indicate that the Contractor is a subrecipient or pass-through entity, which includes requirements from the Office of Management and Budget for contractors that are receiving federal funding;
3. Incorporate Exhibit I to include certain State-required provisions from the County's Substance Abuse Block Grant (SABG) Agreement (Napa County Agreement No.180222B);
4. Amend Specific Terms and Conditions 3.5 to clarify delegation to Director of the Health and Human Services to approve future amendments to Exhibits A and B of this Agreement provided there is no increase to the maximum dollar amount;
5. Remove all references to Start-Up, Transition, and Operational Start-Up phases in the contractor's budget as the Center Point-Napa program is in full operation as of July 1, 2020. (Due to DMC-ODS requirements, the Start-Up phases have been left in the scope of work, which are specific to program licensing.);
6. Include the updated monthly rental cost owed to County for use of facility at Napa State Hospital;

7. Increase the bed-day rate from $130.43/day to $171.55/day and decrease the cost of case management from $130.43/hour to $59.56/hour; and
8. Increase the contract maximum from $1,557,613 to $1,732,436.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Health & Human Services Alcohol & Drug Services
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	This Amendment contains a provision for automatic annual renewal. Appropriations have been included in the approved Fiscal Year 2020-2021 budget and future fiscal years will be budgeted accordingly.
Consequences if not approved:	Napa County Alcohol and Drug Services opted-in to the Drug MediCal Organized Delivery System, under which residential services and withdrawal management services are required. This contract amendment will ensure the sustainability of the contract provider by raising the bed-day rate to adjust to the providers cost while decreasing the cost for case management services.
County Strategic Plan pillar addressed:	Healthy, Safe, and Welcoming Place to Live, Work, and Visit
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Napa County's Drug Medi-Cal Organized Delivery System (DMC-ODS) Implementation Plan requires Napa County to offer withdrawal management and short term residential treatment services to Napa County adult Medi-Cal beneficiaries. Center Point, Inc. was selected to provide these services based on their proposal submitted in response to a Request for Proposal in July 2018. Center Point, Inc. has a long history of providing substance abuse treatment in Marin and Sonoma counties. Services in Napa include withdrawal management for clients in need of close supervision and monitoring during the period in which they are undergoing physical withdrawal from substances, as well as short-term residential treatment for individuals unlikely to maintain abstinence if transferred directly to an outpatient program. Residential treatment provides for a period of stabilization, allows clients to enter early recovery, and prepares them to transfer to an outpatient setting for continued service. Utilization of services will be closely monitored by a multidisciplinary team comprised of representatives from Napa County HHSA, Probation, and the contractor. Services will be provided according to local, state and federal policies

and regulations.

Approval of the recommended action will amend and update various contract administration terms and conditions and increase the contractor's rates and the contract maximum for Fiscal Year (FY) 2020-2021.

Center Point submitted its FY 19-20 cost reports which demonstrated that the FY 19-20 bed-day rate of $130.43 did not cover program costs. This was largely due to decreased utilization in response to COVID-19. During July 2019 to February 2020, the average daily bed count ranged from 27 to 35 beds. In March 2020, this began to drop and by April, the average daily bed count was 14. The low utilization has been consistent throughout the duration of the Public Health Emergency. Because this has been a statewide trend, the CA Department of Health Care Services (DHCS) published Behavioral Health Information Notice No. 20-041 on July 27, 2020, stating that counties participating in the Drug Medi-Cal Organized Delivery System (DMC-ODS) may seek reimbursement equal to their interim rates increased by up to 100%. Therefore, Napa County is able to increase its rates for residential treatment and receive the Federal Financial Participation (the average aggregate reimbursement rate is 80%) on the adjusted rate without waiting for the FY 21/22 rate negotiations with DHCS.

The rate proposed in this amendment takes into account the program's ongoing costs, as well as the reduced utilization of services due to COVID-19. While the bed-day rate was increased from $130.43/day to $171.55/day, the cost for case management services has decreased from $130.43/hour to $59.56/hour based on the contractor's reported costs for this service. The new contract maximum is $1,732,436.

Center Point is not a local provider. However, the contractor has over 45 years of experience providing and overseeing substance use services in surrounding Marin and Sonoma County. Health and Human Services issued a Request for Proposals and Center Point was selected to provide residential treatment services for Napa County adult residents.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri