

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 1/28/2014	(3) CONTACT/PHONE Cindy Collins 788-2932	
(4) SUBJECT Request to approve a FY 2013-14 contract with Aegis Medical Systems, Inc., in an amount not to exceed \$740,447 to provide Narcotic Treatment Program services. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chairperson to sign a FY 2013-14 contract with Aegis Medical Systems, Inc. in an amount not to exceed \$740,447 to provide Narcotic Treatment Program (NTP) services.			
(6) FUNDING SOURCE(S) Drug Medi-Cal /SAPT	(7) CURRENT YEAR FINANCIAL IMPACT \$740,447.00	(8) ANNUAL FINANCIAL IMPACT \$740,447.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001368		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW  Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director

DATE: 1/28/2014

SUBJECT: Request to approve a FY 2013-14 contract with Aegis Medical Systems, Inc., in an amount not to exceed \$740,447 to provide Narcotic Treatment Program services. All Districts.

## **RECOMMENDATION**

It is recommended that the Board approve and direct the Chairperson to sign a FY 2013-14 contract with Aegis Medical Systems, Inc. in an amount not to exceed \$740,447 to provide Narcotic Treatment Program (NTP) services.

## **DISCUSSION**

In FY 2012-13, the Board approved a contract amendment with the State to implement an Absolute Assignment of Agreement transferring the contract and Drug Medi-Cal responsibilities from one State Agency to another. The State Budget Act of 2012 transferred the administrative responsibilities of Drug Medi-Cal from the Department of Alcohol and Drug to the Department of Health Care Services.

One of the provisions of Realignment of 2011 or AB 118 is to realign Medi-Cal funding and the responsibilities of local drug and alcohol programs that were previously funded with State General Fund. Prior to AB118, the State contracted separately with two Drug Medi-Cal providers in our County; AEGIS, a Narcotic Replacement Treatment program; and County Office of Education (COE) for their Sober School program. In FY 2012-13 the State was responsible for administering the Drug Medi-Cal program. The responsibility has shifted to the counties for FY 2013-14. On January 7, 2014 the Board approved the FY 2013-14 multi-year state agreement for Substance use Disorder Services which will allow both providers to access Drug Medi-Cal dollars.

Aegis Medical Systems Inc., a Narcotic Treatment Program, provides outpatient services using methadone and/or levoalphacetylmethadol (LAAM), directed at stabilizing and the rehabilitation of persons who are opiate addicted and have a substance abuse diagnosis. Services, which are located in the North County, include methadone medication treatment, drug screening/testing and individual and group counseling services regarding methadone maintenance. Aegis Medical Systems, Inc. currently have a licensed capacity of 225. A renewal contract with the County Office of Education for their Sober Schools program has already been approved by the Board on July 16, 2013. The delay of this contract is due to an extremely lengthy negotiation process as a result of new ownership and legal counsel components.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has reviewed and approved the contract as to form and legal effect.

## **FINANCIAL CONSIDERATIONS**

In FY 2013-14, Aegis Medical Systems, Inc. is eligible to access \$740,447. That amount is included in the Departments FY 2013-14 adopted budget.

The State will continue to allocate Federal Substance Abuse Prevention and Treatment (SAPT) Block Grant funding and Drug Medi-Cal dollars to counties for substance abuse prevention, treatment and recovery services referred to as Substance Use Disorder (SUD) services through the original Negotiated Net Amount (NNA) contract with the Department of Healthcare Services (DHCS).

Approval of this item will have no effect on the level of General Fund Support required by the Behavioral Health Department.

**RESULTS**

Approval of this agreement will allow the County to reimburse Aegis Medical Systems, Inc. for reimbursable Narcotic Treatment Program services from Drug Medi-Cal and Department of Health Care Services (DHCS) Substance Use Disorder (SUD) contract. Aegis currently has a licensed capacity of 225 slots.

The pass-thru funds received through the SUD contract will help with the Health Agency's Behavioral Health Department – Drug and Alcohol Services achieve its mission of promoting safe, healthy, responsible and informed choices concerning alcohol and other drugs through programs responsive to community needs. That mission contributes to efforts to achieve the desired community wide result of both a “Healthy Community” and a “Safe Community”.

**ATTACHMENTS**

1. Aegis Contract