



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

(1) DEPARTMENT Health Agency	(2) MEETING DATE 9/17/2019	(3) CONTACT/PHONE Scott Seyer, ASO, 805-788-2156	
(4) SUBJECT Request to: 1) approve FY 2019-20 contract awards with Gryphon, Restorative Partners, The Discipleship Home, and The Next Step, in the cumulative amount not to exceed \$758,593 to provide safe and sober recovery-oriented housing in a recovery residence appropriate for individuals who have been identified as requiring housing in addition to treatment; and 2) delegate authority to the Health Agency Director or his designee to sign any amendments to the recovery residence contracts, including option to renew for two additional years (through June 30, 2022), that do not increase the level of General Fund Support required by the Health Agency. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Approve FY 2019-20 contract awards with Gryphon, Restorative Partners, The Discipleship Home, and The Next Step, in the cumulative amount not to exceed \$758,593 to provide safe and sober recovery-oriented housing in a recovery residence appropriate for individuals who have been identified as requiring housing in addition to treatment; and 2. Delegate authority to the Health Agency Director or his designee to sign any amendments to the recovery residence contracts, including option to renew for two additional years (through June 30, 2022), that do not increase the level of General Fund Support required by the Health Agency. 			
(6) FUNDING SOURCE(S) AB109, 2011 Realignment, General Fund, and Adult Drug Court	(7) CURRENT YEAR FINANCIAL IMPACT \$758,593	(8) ANNUAL FINANCIAL IMPACT \$758,593	(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) Gryphon: 19001990 Restorative Partners: 19001991 The Discipleship Home: 19001989 The Next Step: 19001992		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>8/23/2016</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Michael Hill, Health Agency Director
Anne Robin, Behavioral Health Administrator

DATE: 9/17/2019

SUBJECT: Request to: 1) approve FY 2019-20 contract awards with Gryphon, Restorative Partners, The Discipleship Home, and The Next Step, in the cumulative amount not to exceed \$758,593 to provide safe and sober recovery-oriented housing in a recovery residence appropriate for individuals who have been identified as requiring housing in addition to treatment; and 2) delegate authority to the Health Agency Director or his designee to sign any amendments to the recovery residence contracts, including option to renew for two additional years (through June 30, 2022), that do not increase the level of General Fund Support required by the Health Agency. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Approve FY 2019-20 contract awards with Gryphon, Restorative Partners, The Discipleship Home, and The Next Step, in the cumulative amount not to exceed \$758,593 to provide safe and sober recovery-oriented housing in a recovery residence appropriate for individuals who have been identified as requiring housing in addition to treatment; and
2. Delegate authority to the Health Agency Director or his designee to sign any amendments to the recovery residence contracts, including option to renew for two additional years (through June 30, 2022), that do not increase the level of General Fund Support required by the Health Agency.

DISCUSSION

The Health Agency's Behavioral Health Department contracts with various recovery residence (RR) facilities to provide safe and sober recovery-oriented housing appropriate for individuals who have been identified by American Society of Addiction Medicine (ASAM) as requiring housing in addition to treatment. Clients residing in a RR benefit from the structure and stability provided by an environment free of drugs and alcohol while concurrently receiving treatment. RR housing alone is not the only solution for substance use disorders; however, it can play a major role in helping an individual recover and become self-sufficient.

On April 30, 2019 the Health Agency published a Request for Proposal (RFP) #1523 through County Purchasing to solicit proposals from qualified vendors for professional services for Recovery Residence and Sober Living Environment Providers. This process resulted in the identification of six qualified vendors to provide services. The RFP committee extensively evaluated each proposal and determined all six vendors were qualified. Four contracts are currently being awarded. One of the remaining vendors is still under negotiations for subsequent award based upon the RFP, and the other remaining vendor declined to enter into a contract.

Behavioral Health requires all contracted RR facilities to be approved, qualified and registered with the California Consortium of Addiction Programs and Professionals (CCAPP). The process to become a registered RR involves complying with local zoning and occupancy ordinances, having adequate structure within the recovery home, maintaining proper documentation and records, and having structured recovery-based activities available to residents. Contracted providers are also required to participate in Health Agency required contractor trainings such as Compliance, Privacy, and Fraud, Waste and Abuse. The oversight provided by both CCAPP and the County ensure that contracted RR's utilized by Behavioral Health are operating at the highest standards.

As the needs of clients requiring RR housing fluctuate, Behavioral Health neither requires a minimum number of individuals be served annually by each facility nor does Behavioral Health guarantee placements in a facility. Each contracted facility may take private pay and self-funded clients as well. Behavioral Health works to ensure that appropriate housing is available for all clients if needed, and all County subsidized placements are considered temporary as the client's works with their treatment team toward the ultimate goal of self-sufficiency.

A description of the geographic location, population served, and bed capacity of each facility is listed in the chart below.

<u>Contractor Name</u>	<u>Location (s)</u>	<u>Population Served</u>	<u>Bed Total</u>
Anna's Home (Restorative Partners)	North County	Female/Perinatal	5
Gryphon	North County	Males/Females	45
Restorative Partners	North Coast	Males/Females	27
The Discipleship Home	South County	Males	8
The Next Step	North County	Males	9
Total Available Beds			94

As per contract Exhibit C.4., Option to Renew, this contract may be extended for two one-year periods upon Health Agency Director approval to exercise said option to renew for each one-year period. The Health Agency Director may also approve any changes pertaining to service(s), service level changes or rate changes as per contract Exhibit D.29, Delegation of Authority.

OTHER AGENCY INVOLVEMENT/IMPACT

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

FINANCIAL CONSIDERATIONS

The FY 2019-20 Behavioral Health Adopted Budget includes \$758,593 for Recovery Residence services. The table below reflects the funding sources and amounts included for adult beds.

Funding Source FY 2019-20	Budgeted Amount
AB109 State Realignment Funds	\$490,000
Realignment 2011 Funds CWS	\$150,678
General Fund Support	\$109,000
Adult Drug Court	\$ 8,915
Total	\$ 758,593

The average rate for FY 2019-20 is \$32.50 per day compared to average of \$31.00 per day for FY 2018-19. The rate increases for individual contractors are due to overall increases in housing costs countywide, increased insurance rates, staffing requirements, food, and transportation costs at each facility. Most facilities have not increased their rates since FY 2016-17. Rate increases were included in most of the proposals submitted during the RFP process and negotiated to align with the budget and goals for recovery residences.

Facility	FY 2017-18 Actual		FY 2018-19 Actual		FY 2019-20 Budget	
	Avg. Clients	Cost	Avg. Clients	Cost	Avg. Clients	Cost
Gryphon	181	\$167,475	139	\$139,707	262	\$270,246
The Discipleship Home	34	\$30,750	28	\$34,920	53	\$67,548
The Next Step	43	\$47,665	51	\$79,440	96	\$153,667
Anna's House	10	\$31,493	14	\$20,715	26	\$40,070
Restorative Partners	30	\$94,479	77	\$117,382	145	\$227,062
Facilities no longer being used	179	\$182,820	181	\$271,566	0	\$0
Total	477	\$ 554,682	490	\$ 663,730	582	\$ 758,593

The \$94,863 difference between the FY 2018-19 actuals and the FY 2019-20 budget is due to \$33,212 in FY 2019-20 budgeted rate increases and \$61,651 due to a shift of budgeted appropriation between Residential Treatment Facilities and Recovery Residences.

The actual annual costs for each RR will vary depending on bed availability in each facility, the level of care and program needs, and the number of clients needing placement in a particular geographic area. Each contract stipulates a maximum amount of \$758,593 but it is clear in each of the RR contracts that the County only pays for actual bed days used. Setting each contract at the maximum amount allows the flexibility to move clients within each facility and add clients without amending their initial estimates. However, the total amount spent for all board approved contracts is expected to be within the \$758,593 total budget.

RESULTS

During FY 2018-19 there was consistent use of Recovery Residence housing. On average, clients stayed 29 days per each individual stay. Research indicates that a longer stay enhances the overall completion of treatment. FY 2019-20 estimates are based on an average stay of 30 days. Behavioral Health anticipates placing 582 clients in Recovery Residence housing throughout the fiscal year among all contracted vendors.

The Behavioral Health Department accepts full responsibility for managing placements in a cost-effective manner, while providing the most appropriate treatment option for each client. Appropriate placements help Behavioral Health complete its goal of serving clients in the least restrictive setting possible and to advance the goal of helping individuals with substance use disorders to be as functional and productive as possible. Providing the most appropriate services to these clients increases their probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision of a healthy and safe community.

ATTACHMENTS

1. Gryphon Contract
2. Restorative Partners Contract
3. Restorative Partners Exhibit – H to the Contract
4. The Discipleship Home Contract
5. The Next Step Contract