



**NEVADA COUNTY**  
**HEALTH & HUMAN SERVICES**  
**AGENCY**

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*Phebe Bell, MSW*

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(Mental Health, Drug and Alcohol Program)

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## **NEVADA COUNTY BOARD OF SUPERVISORS**

### **Board Agenda Memo**

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**MEETING DATE:** April 28, 2020

**TO:** Board of Supervisors

**FROM:** **Phebe Bell**

**SUBJECT:** Resolution approving execution of Amendment No. 1 to the renewal personal services contract with Granite Wellness Centers for the provision of services related to serving Nevada County clients with Co-Occurring Disorders (COD) to add an alternate payment mechanism for services provided March through June 2020 due to impacts of the Coronavirus and amend Exhibit "B" Schedule of Charges and Payments, to reflect the alternate payment mechanism for the contract term of July 1, 2019 through June 30, 2020. (RES. 19-497)

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**RECOMMENDATION:** Approve the attached Resolution.

**FUNDING:** Services will be funded by Medi-Cal reimbursement and SB 837 Community-Based Transitional Housing Program monies made available to the department. There will be a short-term cash flow issue that is within the capacity of the Behavioral Health department. The department expects minimal long-term fiscal impacts. There is no budget amendment and no general fund dollars required.

**BACKGROUND:** Per Resolution No. 19-497, the Board of Supervisors approved a renewal contract with, Granite Wellness Centers to provide services to adult individuals who have both a mental illness and a substance abuse/addiction (Co-Occurring Disorder) under their comprehensive treatment program called the Co-Occurring Disorders or COD Program. Services include integrated mental health and substance abuse treatment, case management, and ancillary services such as anger management, job skills training, parenting and life skills which are provided according to the individual client's needs.

There are 7 total contracts that are separately being brought to the Board with a similar amendment and the following language applies to all 7 contracts. The Coronavirus pandemic has had significant impacts across all critical service providers, including disruption of their normal ability to serve clients. Because these providers are paid based on units of service they provide, the inability to provide as many services has led to lower generation of revenue and therefore cash flow and budget challenges. At the same time as their fiscal viability is being challenged, their services are needed more than ever. Behavioral Health staff has worked closely with all service providers to help navigate this pandemic and has provided support in modifying their processes and protocols so that staff can remain safe and community members can safely get the care they need. Moving forward, staff will work with providers to increase productivity so that we can continue to maximize our ability to draw down federal funds. This proposed change in contract payment terms will allow the Contractor to stay fiscally stable and maintain current staffing levels so that they are able to provide all needed services during this difficult time.

This amendment allows the contractor to invoice for 1/12th of their contract amount for the period of March through June instead of billing based on services provided during this time. The expectation is that contracts will be amended back to units of service once the pandemic is behind us. The change in methodology will likely have some cash flow impacts to Behavioral Health. It is estimated the cash flow impact will be approximately \$500,000 total for 4 months for all 7 contracts combined, however, we expect to capture most of the reduced dollars in the cost settlement process with both the Contractors and the State, which will restore fund balance. These Amendments will not impact the General Fund and the Behavioral Health fund balances are sufficient to support the short-term impact. In addition, the Contracts are still capped at the maximum dollar amount and should the Contractor not have expenditures to support the amount received through June 2020, they will be required to repay the County.

It is recommended that the Board approve this Amendment No. 1 as it allows the contractor to maintain critically needed existing services and sustain current staff during this challenging time.

**Item Initiated and Approved by:** Phebe Bell, Director of Behavioral Health