

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.73  
(ID # 22276)

MEETING DATE:  
Tuesday, June 27, 2023

FROM : RUHS-BEHAVIORAL HEALTH:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM - BEHAVIORAL HEALTH: Ratify and Approve the Increase with Palo Verde Wellness Center to Provide Substance Abuse Prevention and Treatment (SAPT) Services from \$99,997 to \$250,000 for FY 2022-2023, and Approve the SAPT Contract Aggregate for a One-Year Extension of the Behavioral Health Agreements for SAPT Services for FY 2023-2024, Without Seeking Competitive Bids, All Districts. [\$153,003 in Additional Cost for FY 2022/2023, \$70,000,000 for FY 2023/2024, Up to \$7,000,000 in Additional Compensation for FY 2023/2024, Total Cost \$70,150,003, 60% Federal Funds, 40% State Funds]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify and Approve the increase with Palo Verde Wellness Center for FY 2022-2023 to provide Substance Abuse Prevention and Treatment (SAPT) Services from \$99,997 to \$250,000 for the term of July 1, 2022 through June 30, 2023; and

Continued on Page 2

**ACTION:**Policy

  
Matthew Chang, Director 6/9/2023

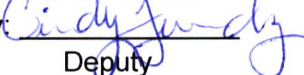
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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: June 27, 2023  
xc: RUHS-BH

Kimberly A. Rector  
Clerk of the Board

By:   
Deputy

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**RECOMMENDED MOTION:** That the Board of Supervisors:

2. Approve the SAPT Contract Aggregate and One-Year Extension of Behavioral Health Agreements, as listed in Attachment A, to provide SAPT Services, in the amount of \$70,000,000, for the term of July 1, 2023 through June 30, 2024, without seeking competitive bids; and authorize the Purchasing Agent to sign and execute the Agreements on behalf of the County; and
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based upon the availability of funding and as approved by County Counsel to: (a) exempt the County Purchasing Agent from the sole source requirement when adding new vendors not to exceed \$250,000 without securing competitive bids within the Board approved aggregate, (b) move the allocated funds among the vendors listed in Attachment A, (c) sign amendments that exercise the options of the Agreement including modifications of the statement of work that stay within the intent of the Agreement, and (d) sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the approved aggregate through June, 30, 2024.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 150,003	\$ 70,000,000	\$ 70,150,003	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 89% Federal Funding, 11% State Funding			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 22/23-23/24	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Riverside University Health System – Behavioral Health (RUHS-BH) operates a continuum of care system that consists of County-operated and contracted service providers delivering a variety of SAPT services within each geographic region of Riverside County.

The objective of RUHS-BH is to maximize services to consumers and to provide support to their families, and significant others, within the level of resources of the department. RUHS-BH provides care for those who meet medical necessity and are assessed as requiring treatment in a substance abuse recovery environment. Evidenced-based practices (EBP) and intensive case management are utilized and tailored to each target population as they move through their recovery process.

On February 1, 2017, RUHS-BH began participation in the Drug Medi-Cal Organized Delivery System (DMC-ODS) 1115 Waiver. DMC-ODS is Medi-Cal's effort to expand, improve, and reorganize its system for treating people with a substance use disorder (SUD), offering more comprehensive services than the limited set of services provided under the standard Drug Medi-

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Cal program. DMC-ODS SAPT services include Outpatient, Intensive Outpatient, Residential, Perinatal Residential, Medication-Assisted Treatment, Opioid Treatment, Withdrawal Management, Care Coordination, Physician Consultation, and Recovery Services.

On January 1, 2022, the Department of Health Care Services (DHCS) implemented reform across the Medi-Cal program via CalAIM: California Advancing and Innovating Medi-Cal. CalAIM seeks to transform health care for California's most vulnerable residents through an array of supports and services. RUHS-BH has been identified as a provider within the County of Riverside that can provide the required facilities, equipment, and personnel necessary to deliver CalAIM services. With the CalAIM rollout, RUHS-BH now has the ability to utilize subcontractors for services that were not previously billable through Medi-Cal. With County support, several RUHS-BH providers have opted-in to provide the following new levels of service effective July 1, 2022: Early Intervention, Peer Services, and Contingency Management.

On August 6, 2019 (Agenda Item #3.32), the Board approved a \$50,000,000 annual contract aggregate for SAPT services through June 30, 2022. On October 26, 2021 (Agenda Item #3.18), the Board ratified and approved six additional agreements, also awarded as a result of competitive bid, which included new levels of SAPT services for FY 2021-2022 for a total of \$2,221,233 without increasing the SAPT contract aggregate.

On August 30, 2022 (Agenda Item #3.59), the Board ratified and approved an aggregate increase of \$10,000,000 for a new aggregate amount of \$60,000,000 for SAPT services for FY 2022-2023.

RUHS-BH has improved access to high-quality evidence-based care and increased the number of consumers receiving services countywide, and expanding accessibility by adding new service-providing contractors and sites. Continuity of SAPT services for this most vulnerable population is crucial; therefore, the RUHS-BH is requesting that the Board of Supervisors approve and execute the one-year extension of the Agreements with the contractors as listed in Attachment A for \$70,000,000 through June 30, 2024.

**Impact on Citizens and Businesses**

These services are a component of Behavioral Health's system of care aimed at improving the health and safety of consumers and the community.

**Additional Fiscal Information**

Federal and State resources fund apportionment for DMC-ODS Services. No additional County funds are required. Attachment A provides the maximum agreement amounts for each qualified contracted provider. All contracts include termination provisions in the event funding becomes unavailable.

**Contract History and Price Reasonableness**

On October 29, 2018, RUHS-BH in conjunction with Riverside County Purchasing released Request for Qualifications (RFQu) #MHARC-238 for DMC-ODS services. Notification was sent

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to 175 organizations to inform them of the funding opportunity. The RFQu was accessed and downloaded by 64 organizations, located on the Public Purchase website. Email notification was sent to 113 individuals who were on the RUHS-BH SAPT DMC Bidders list. The RFQu closed on January 15, 2019, and 17 qualification packages were received. The Evaluation Committee recommended 14 bidders be awarded a contract for DMC-ODS services. The rates proposed by the chosen contractors were deemed reasonable and competitive by the RFQu Evaluation Committee based upon average industry costs and the nature of the services being provided for each of the proposed levels of care.

On September 21, 2020, RUHS-BH in conjunction with Riverside County Purchasing released RFQu #MHARC-261 for DMC-ODS services. Notification was sent to 225 organizations to inform them of the funding opportunity. The RFQu was accessed and downloaded by 62 organizations, located on the Public Purchase website. Email notification was sent out to 128 individuals on the RUHS-BH SAPT-DMC Bidders list. The RFQu closed on December 3, 2020, and nine qualification packages were received. The Evaluation Committee recommended all nine bidders be awarded a contract for DMC-ODS services. The recommended bidders include three existing contractors increasing services and six new contractors. The rates proposed by each of the contractors were deemed reasonable and competitive by the RFQu Evaluation Committee based upon average industry costs and the nature of the services being provided for each of the proposed levels of care.

RUHS-BH has prepared a new RFQu for these services. RFQu #MHARC-286 for Substance Abuse Prevention and Treatment – Drug Medi-Cal Services was released on April 6, 2023. However, due to the complexity of these services, it is anticipated that an award will not be made until the end of FY 2023/2024. To allow the competitive bidding process to be completed, and ensure the continuity of care for FY 2023/2024, on June 7, 2023, RUHS-BH obtained approval from the Purchasing Agent for a Single Source procurement (SSJ #23-224) for the incumbent contractors listed in Attachment A.

**Attachment A**

<b>Contractor</b>	<b>FY 23/24</b>
ABC Recovery Center, Inc.	\$ 5,327,330
Addiction Therapeutic Services (Herndons, LLC)	\$ 576,000
Aegis Treatment Centers, LLC	\$ 250,000
Ceder House Life Change Center	\$ 3,914,747
Coachella Valley Treatment Center	\$ 361,725
Desert AIDS Project, Inc.	\$ 195,233
Evexia Health Services, LLC	\$ 3,093,808
HealthRIGHT 360	\$ 950,000
Inland Valley Drug and Alcohol Recovery Services	\$ 2,775,025
MFI Recovery Services	\$ 13,787,348
Palm Springs Sober living Inc. DBA Palo Verde Wellness*	\$250,000

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Riverside County Latino Commission on Alcohol and Drug Abuse Services Inc.	\$ 1,893,928
Solid Ground Wellness and Recovery, LLC	\$ 200,530
Soroptimist House of Hope, Inc.	\$ 435,092
Tarzana Treatment Centers, Inc.	\$ 300,000
The Ranch Recovery Centers, Inc.	\$ 7,398,517
The Rose of Sharon 7 Inc. (Divine Intervention Recovery Ranch)	\$ 200,000
VARP, Inc.	\$ 4,769,363
WCHS, Inc.	\$ 6,268,199
Whiteside Manor, Inc.	\$ 6,501,852
Total for all SAPT Contracts	\$ 59,448,697
Reserve	\$ 10,551,303
Total Annual Aggregate	\$70,000,000

\* Contractors Added in FY 22-23

*Meghan Hahn*  
 \_\_\_\_\_  
 Meghan Hahn, Deputy Director of Procurement 6/13/2023

*Kelly Moran*  
 \_\_\_\_\_  
 Kelly Moran, Deputy County Counsel 6/13/2023

Date: March 13, 2023  
 From: Matthew Chang, Director, Riverside University Health System-Behavioral Health  
 To: Suzanna Hinckley, Assistant Director, Purchasing & Fleet Services  
 Via: Erendira Guerrero, Administrative Services Analyst, 951-358-3624  
 Subject: Single Source Procurement; Drug Medi-Cal Contract Aggregate

The below information is provided in support of my Department requesting approval for a sole source. (*Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole or single source.*)

1. **Supplier being requested:** Multiple
2. **Vendor ID:**

<b>Contractor:</b>	<b>Vendor ID:</b>
ABC Recovery Center, Inc.	2609
Addiction Therapeutic Services (Herndons, LLC)	221691
Aegis Treatment Centers, LLC	233019
Cedar House Life Change Center	25856
Coachella Valley Treatment Center	249722
Desert AIDS Project, Inc.	4887
Evexia Health Services, LLC	215149
HealthRIGHT 360	248509
Inland Valley Drug and Alcohol Recovery Services	211195
MFI Recovery Services	26918
Palm Springs Sober living Inc. DBA Palo Verde Wellness	236291
Riverside County Latino Commission on Alcohol and Drug Abuse Services Inc.	9983
Solid Ground Wellness and Recovery, LLC	217698
Soroptimist House of Hope, Inc.	6362
Tarzana Treatment Centers, Inc.	200750
The Ranch Recovery Centers, Inc.	10391
The Rose of Sharon 7 Inc. (Divine Intervention Recovery Ranch)	233019
VARP, Inc.	11913
WCHS, Inc.	12133
Whiteside Manor, Inc.	12390

3.  **Single Source**       **Sole Source**

4. Have you previously requested and received approval for a sole or single source request for this vendor for your department? (If yes, please provide the approved sole or single source number). #23-028

Yes  No

4a. Was the request approved for a different project?

Yes  No

5. **Supply/Service being requested:**

One-year contract extension for the current Drug Medi-Cal (DMC) providers to prevent a gap in services until awards can be made under the new Request for Qualifications (RFQu) for these services. DMC services include Outpatient, Intensive Outpatient, Residential, Perinatal Residential, Medication for Addiction Treatment, Opioid Treatment, Withdrawal Management, Care Coordination, Clinician Consultation, Recovery Services, Early Intervention, Peer Support Services, and Contingency Management.

6. **Unique features of the supply/service being requested from this supplier.**

The requested contractors have been individually evaluated via a formal bid process within the last four years for qualifications to provide specific levels of care within the Drug Medi-Cal System. Certification with the Department of Health Care Services is a requirement of these providers, and these providers have been vetted for these appropriate certifications for these mandated services. Proposed contractors provide services spanning across all regions of the County and have existing experience with County referrals and systems as well as consumer relationships. These DMC services are needed to meet the needs of Riverside County consumers.

7. **Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:**

The new RFQu #MHARC-286 for the SAPT-DMC services was released on April 6, 2023. However, due to the complexity of these services, it is anticipated that an award will not be made until the end of FY 23/24. Utilizing existing contractors would provide crucial continuity of substance abuse prevention and treatment services for this most vulnerable population.

8. **Period of Performance:** From: July 1, 2023 to June 30, 2024 (one year)  
(total number of years)

Is this an annually renewable contract?  No  Yes  
Is this a fixed-term agreement:  No  Yes

9. **Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. You do not need to include previous fiscal year amounts. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval**

**must be obtained.** (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)

Description:	FY 23/24 Totals
One-time Costs:	
ABC Recovery Center, Inc.	\$ 5,327,330
Addiction Therapeutic Services (Herndons, LLC)	\$ 576,000
Aegis Treatment Centers, LLC	\$ 250,000
Cedar House Life Change Center	\$ 3,914,747
Coachella Valley Treatment Center	\$ 361,725
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VARP, Inc.	\$ 4,769,363
WCHS, Inc.	\$ 6,268,199
Whiteside Manor, Inc.	\$ 6,501,852
Total	\$ 59,448,697
Reserve	\$ 10,551,303
On-going Costs: N/A	\$0
Total Costs:	\$70,000,000


**10. Price Reasonableness:**

Contracts were competitively bid in 2018 (RFQu #MHARC-238) and 2020 (RFQu #MHARC-261) and the pricing offered by the vendors listed were deemed reasonable and competitive by an RFQu Evaluation Committee based upon average industry costs and the nature of the services being provided for each of the proposed levels of care.

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11. Projected Board of Supervisor Date (if applicable): TBD

	Amy McCann	6/6/2023
Department Head Signature (or designee)	Print Name	Date

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**The section below is to be completed by the Purchasing Agent or designee.**  
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Purchasing Department Comments:

**Approve**

Approve with Condition/s

Disapprove

Condition/s:

Approved; with cost not to exceed FY and NTE limitations noted above.

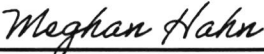
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Not to exceed:

One-time \$ \_\_\_\_\_

Annual Amount \$ \_\_\_\_\_ / per fiscal year through \_\_\_\_\_ (date)  
(If Annual Amount Varies each FY)

FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_

	6/7/23	23-224
Purchasing Agent	Date	Approval Number (Reference on Purchasing Documents)