



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: June 4, 2024

DRAFT

XX

TO: Board of Supervisors

SUBJECT

AUTHORIZE A SINGLE SOURCE CONTRACT WITH EXODUS RECOVERY, INC. TO PROVIDE BEHAVIORAL HEALTH SERVICES WITHIN THE TRI-CITY PSYCHIATRIC HEALTH FACILITY (DISTRICTS: ALL)

OVERVIEW

In California, counties are responsible for administering specialty mental health and substance use services for residents eligible for Medi-Cal. In this capacity, the County of San Diego (County) Health and Human Services Agency (HHS), Behavioral Health Services (BHS) serves as the Specialty Mental Health Plan. To ensure access to quality care that meets the needs of Medi-Cal beneficiaries in San Diego County, BHS is required to maintain a local network of behavioral health services and providers.

In 2018, Tri-City Healthcare District (Tri-City) suspended its behavioral health unit (BHU) and crisis stabilization unit (CSU). Through a series of actions since 2018, the San Diego County Board of Supervisors (Board) supported the development of a 16-bed psychiatric health facility (PHF) to be jointly funded by the County and Tri-City on vacant land located at the Tri-City Medical Center in Oceanside, California. It is anticipated that Tri-City PHF will alleviate pressure on local hospital emergency departments by referring clients with psychiatric needs to the optimal treatment setting and will complement the three CSUs providing crisis care in the North County. Today's action requests the Board authorize a single source contract with Exodus Recovery, Inc. to provide services within the Tri-City PHF.

Today's action supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished through further strengthening the continuum of behavioral health services in San Diego County.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. In accordance with Board Policy A-87, Competitive Procurement, and Administrative Code Section 401, approve and authorize the Director, Department of Purchasing and Contracting, to enter into negotiations with Exodus Recovery, Inc. and subject to successful negotiations and determination of a fair and reasonable price, award a contract

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for clinical behavioral health services within the Tri-City Psychiatric Health Facility, for an Initial Term of up to five years, with five 5-year Options for a total of thirty years in alignment with Exodus sublease agreement with Tri-City Healthcare District, and up to an additional six months, if needed, and to amend the contract as needed to reflect changes to requirements and funding, subject to the availability of funds and the approval of the Agency Director, Health and Human Services Agency.

EQUITY IMPACT STATEMENT

The County of San Diego Health and Human Services Agency, Behavioral Health Services (BHS) functions as the specialty mental health plan for Medi-Cal eligible residents within San Diego County with serious mental illness, and the service delivery system for Medi-Cal eligible residents with substance use disorder care needs. As a regional steward of public health, BHS must ensure that services address the social determinants of health by being accessible, capable of meeting the needs of a diverse population, and equitably distributed to those most in need. BHS utilizes a population health approach, evidence-based practices, robust data analysis, and input from consumers, community-based providers, healthcare organizations, and other stakeholders to identify community needs and design services that are impactful, equitable, and yield meaningful outcomes for clients.

Establishing inpatient behavioral health services within the newly constructed Tri-City Psychiatric Health Facility (PHF) in Oceanside will increase capacity of critical behavioral health care in North County. These new PHF services will provide inpatient care to Medi-Cal eligible adults and others, improving access to critical crisis care for vulnerable adults who are experiencing a behavioral health crisis.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed action aligns with the County of San Diego (County) Sustainability Goal #2, to ensure equitable access to County services. Establishing inpatient care services within North County prioritizes equitable access to essential behavioral health inpatient services for Medi-Cal eligible adults, enabling those in need of higher levels of care to be connected to care in close proximity to where they reside.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2024-26 CAO Recommended Operational Plan in the Health and Human Services Agency. If approved, this request will result in estimated costs and revenue of approximately \$9.3 million in FY 2024-25 and \$9.3 million in FY 2025-26 for behavioral health services within Tri-City Psychiatric Health Facility. The funding sources are Realignment and Short-Doyle Medi-Cal. There will be no change in net County General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

This item will be presented to the Behavioral Health Advisory Board on June 6, 2024, for review and comment.

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BACKGROUND

In California, counties are responsible for administering specialty mental health and substance use services for residents eligible for Medi-Cal. In this capacity, the County of San Diego (County) Health and Human Services Agency (HHSA), Behavioral Health Services (BHS) serves as the Specialty Mental Health Plan. To ensure access to quality care that meets the needs of Medi-Cal beneficiaries in San Diego County, BHS is required to maintain a local network of behavioral health services and providers. Over the past years and with the goal of optimizing the local behavioral health system of care, the San Diego County Board of Supervisors (Board) has been making key investments to enhance community-based behavioral health services, and developing critical behavioral health infrastructure that is regionally distributed in alignment with population health needs.

In 2018, Tri-City Healthcare District (Tri-City) suspended its behavioral health unit (BHU), which provided adult inpatient psychiatric services, and its crisis stabilization unit (CSU), which provided adult crisis stabilization services. To address the need for crisis and inpatient behavioral health care in North County, on June 25, 2019 (23), the Board directed an agreement be negotiated with Tri-City and provided funding for the development and construction of a psychiatric health facility (PHF) on vacant land located at the Tri-City Medical Center in Oceanside, California. A PHF is a 24-hour facility that provides short-term inpatient care for adults 18 years and older with psychiatric needs. PHFs provide recovery services beyond the level of care offered in outpatient, emergency, or other crisis care settings. The PHF service model provides client-centered care and emphasizes continuous assessment of client progress with the goal of stabilization and improvement in overall client wellness. PHFs are designed to proactively transition clients to the next appropriate level of care and to provide referrals to other services upon discharge. Care is provided by a multidisciplinary team of psychiatrists, mental health therapists, nurses, mental health workers, and other supportive providers.

On September 10, 2019 (6), the Board authorized execution of a Memorandum of Understanding (MOU) between the County and Tri-City, which outlined an arrangement to develop a 16-bed PHF to be jointly funded by the County and Tri-City. Subsequently, on January 14, 2020 (10), the Board authorized multiple actions, including establishing additional appropriations for development and construction of the PHF, awarding a construction manager at risk contract to develop and construct the PHF, and negotiating with Tri-City for services within the PHF.

The County funded the initial development and construction costs for the Tri-City PHF totaling \$27.6 million. Tri-City agreed to repay half of the costs through a devotion of land for the project and in-kind services within the new facility. In 2021, the County entered into a sublease agreement to lease the building to Tri-City and established an operating agreement that will govern the services provided within the PHF during the term of the sublease. The operating agreement required Tri-City to repay the County's no-interest loan to Tri-City for one-half share of the construction costs. Development and construction of the Tri-City PHF have progressed, with the facility ground-breaking in October 2022 and construction anticipated for completion in Summer 2024. Services are anticipated to commence shortly following the completion of construction and licensing of the facility.

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Tri-City recently executed a letter of intent to sublease the PHF to a community-based provider of PHF services, Exodus Recovery, Inc. (Exodus). Exodus is an experienced provider of behavioral health services in multiple regions throughout Southern California for 35 years in over 25 locations. They were the first contracted provider of Mobile Crisis Response Team (MCRT) services in North County and currently operate two of the three CSUs located in Oceanside and Vista. Their proven experience in providing exceptional care to the residents in North County positions Exodus to be a strong partner in launching these essential services.

In alignment with the sublease agreement to be executed between Tri-City and Exodus, Board authority is requested to enter into a single source contract with Exodus for the provision of clinical services in the PHF. This procurement qualifies for an exception to Board Policy A-87 pursuant to Section D (3), as the services are from a provider with unique knowledge, skill, or ability not available from other sources. Exodus is uniquely positioned as the only service provider for this facility. Directly contracting with Exodus will align with the partnership between Tri-City and Exodus. Additionally, this will support BHS in providing direct oversight of clinical services provided by Exodus to ensure quality care and outcomes and align with the department's role as the payor for specialty mental health services for Medi-Cal beneficiaries. The award of a contract to Exodus will be contingent upon the execution of the sublease between Tri-City and Exodus.

Today's action requests the Board authorize a single source contract with Exodus to provide services within the Tri-City PHF. This action advances work to commence operations of the Tri-City PHF, which is anticipated to alleviate pressure on local hospital emergency departments, by referring clients with psychiatric needs to the optimal treatment setting. The PHF will also bolster access to crisis services in North County, designed to provide a positive experience of care and support individuals in stepping up or down based on the appropriate level of care, meeting their needs and being in close proximity to where they reside.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the County of San Diego 2024-2029 Strategic Plan initiatives of Equity (Health) and Community (Quality of Life) as well as the regional *Live Well San Diego* vision. This is accomplished by reducing disparities and disproportionality of individuals with mental illness and substance use disorders and ensuring access to a comprehensive continuum of behavioral health services administered through accessible behavioral health programs.

Respectfully submitted,

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FUNCTION TO INSERT
SIGNATURE

SARAH E. AGHASSI

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Interim Chief Administrative Officer

ATTACHMENT(S)

N/A

DRAFT