

Procurement & Contract Extension Board Letter Briefing Document

Board of Supervisors Meeting – January 26, 2021

Background

Since 1999, the Board of Supervisors (Board) has approved initiatives to redesign and implement an expanded continuum of comprehensive behavioral health care for children, adolescents, transition age youth, adults, older adults, and families. In 2018, the Board further approved actions to enhance, expand, and innovate behavioral health programs and services through a body of work referred to broadly as the Behavioral Health Continuum of Care. Collectively, these actions have enabled the County of San Diego’s (County) Health and Human Services Agency’s department of Behavioral Health Services (BHS) to transform specialty mental health care and substance use disorder services to optimally serve our most vulnerable populations.

BHS Service & System Overview

BHS provides mental health and substance use disorder services to **nearly 120,000** (Fiscal Year 2019-20) San Diego County residents of all ages annually through coordinated systems of care. Services are provided through nine (9) county-operated outpatient and case management programs, over 300 contracts, and 800 individual fee-for-service providers. Inpatient health services are provided through the San Diego County Psychiatric Hospital (SDCPH) and Edgemoor Hospital, a Distinct Part Skilled Nursing Facility (DP-SNF). BHS also serves as the Specialty Mental Health Plan for Medi-Cal beneficiaries with serious mental illness (SMI) in San Diego County.

BHS Operational Plan (Budget)

In FY 2020-21, BHS has the **largest departmental budget in the County** and has grown exponentially over the last several years, as outlined below:

BHS Adopted Operation Plan				
Fiscal Year	Budget	% Budget Increase	Staff	% Staffing Increase
FY 2015-16	\$441.6M	76% increase since FY 2015-16	789.0	27.8% increase since FY 2015-16
FY 2016-17	\$500.6M		818.0	
FY 2017-18	\$529.1M		823.0	
FY 2018-19	\$658.2M		864.0	
FY 2019-20	\$712.9M		1,007.5	
FY 2020-21	\$778.5M		1,006.5	

Revenues/Funding Sources

BHS programs are funded through a multitude of revenue sources, primarily intergovernmental revenues, many of which are specifically tied to the provision or support of mental health and substance use disorder (SUD) services. Funding sources include Mental Health Services Act (MHSA), Realignment, Short-Doyle Medi-Cal, Drug Medi-Cal, Substance Abuse Block Grant (SABG), Substance Abuse and Mental Health Services Administration (SAMHSA), California Work Opportunity and Responsibility to Kids (CalWORKs), Projects for Assistance in Transition from Homelessness (PATH), State General Funds and others.

See table below for most recent revenue sources included in recent **BHS Procurement Board letters**.

Procurements & Contract Extensions for Critical Services

BHS provides services countywide through more than 300+ competitively contracts, along with single source contracts for highly specialized services that are available only through a single service provider. In general, contracts are procured for one (1) initial year, plus four (4) option years for a five (5) year contract term. As part of an administrative function, BHS requests Board authority to issue competitive procurements or single source contracts on a semi-annual basis.

The **impact of COVID-19** has added new financial, operational and resource challenges and complexity; however, BHS remains committed to ensuring critical services to the most vulnerable populations within the community are sustained. To ensure continuity of the most basic behavioral health infrastructure and services, BHS is requesting authority to extend essential mental health and SUD service contracts, as follows, all of which are currently operational and included in the current **FY2020-22 Adopted Operational Plan** (*no increase to the current adopted budget*):

<i>Type</i>	<i># Contracts</i>	<i>FY 2021-22 Estimated Max Budget*</i>
New Contracts / Re-procurements	21	\$27.9 million
Contract Extensions	81	\$150.3 million
Total	102	\$178.2 million
* Funding is Included in the FY2020-22 Adopted Operational Plan		

Additionally, BHS continues to conduct comprehensive assessments of the financial, operational and resource impacts, along with developing strategies to optimize services and revenues in the wake of the pandemic. BHS has also shifted strategies in anticipation of a projected economic downturn and elevated levels of mental distress:

- In anticipation of significant revenue losses significant increases in need, shift away from large capital investments and toward high impact programs to maximize the impact of current services, including **diversionary services**, services that support individuals with behavioral health conditions **long-term**, and **care coordination efforts**. This also includes operationalizing innovative ways of working, such as providing services via telehealth.
- Capitalize on **federal and State regulatory changes allowing for flexibility** in service delivery.
- **Maintain hospital resources and bed availability** during COVID-19 to be less dependent upon hospital system resources.

Impact If Critical BHS Services Lapse

The COVID-19 pandemic has precipitated not only a public health crisis but also a behavioral health crisis and, at a minimum, the behavioral health services outlined must continue at the current levels, to address the following:

- Data from July showed a **200% increase in rates of anxiety and depression risk** among the general adult population, with higher rates among those earning less money, with children living at home, and those who identify as Hispanic.
- National data from JAMA confirms these patterns, reporting an overall **tripling in rates of depression nationally**, with rates of severe depression increasing by over 500%.
- Locally, concurrent with the Shelter-in-Place order in March 2020, data show devastating increases of drug overdose mortality which spiked considerably in July and August 2020, with roughly **3X the deaths involving fentanyl** through September 2020 as there were to the same point in 2019.
- Though not yet analyzed, significant **disruptions in patterns of drug use** where people may be more likely to be using alone, from a different supply, or after a period of sobriety supported by treatment which might have been interrupted.

Individuals and families continue to struggle to engage in treatment and remain connected during this public health crisis. Continuing essential mental health and SUD services, as outlined in the BHS contracting and extension Board letter, will help support our most vulnerable residents in remaining engaged and connected.

Recent BHS Procurement Board Actions

Board Letter	# Contracts	Fiscal Year Budget Impact	Funding Sources
June 19, 2018 (09)	6	<ul style="list-style-type: none"> FY2018/19: \$13.3 million 	MHSA, Realignment, Short-Doyle Medi-Cal (Federal Financial Participation)
November 13, 2018 (12)	16	<ul style="list-style-type: none"> FY2018-19: \$2.4 million FY2019-20: \$50.3 million 	MHSA, Realignment, Drug Medi-Cal, Short-Doyle Medi-Cal, and Substance Abuse and Mental Health Services Administration (SAMHSA)
June 4, 2019 (10)	21	<ul style="list-style-type: none"> FY2019-20: Range of \$46.5 to \$61.8 million 	CalWORKS, MHSA, Realignment, Drug Medi-Cal, Short-Doyle Medi-Cal, Substance Abuse Block Grant (SABG), Substance Abuse and Mental Health Services Administration (SAMHSA), and the City of San Diego
October 29, 2019 (08)	8	<ul style="list-style-type: none"> FY2020-21: Range of \$27.7 to \$37.1 million 	MHSA, Realignment, Short-Doyle Medi-Cal, Drug Medi-Cal, Substance Abuse Block Grant (SABG), Projects for Assistance in Transition from Homelessness (PATH), and State General Funds
May 5, 2020 (03) (During COVID-19)	39	<ul style="list-style-type: none"> Fiscal Year 2020-21: \$78.1 million 	MHSA, Realignment, Short-Doyle Medi-Cal, Drug Medi-Cal, Substance Abuse Block Grant, Substance Abuse and Mental Health Services Administration Block Grant, California Work Opportunity and Responsibility to Kids, Projects for Assistance in Transition from Homelessness, and State General Funds