May 1, 2012

The Honorable Board of Supervisors
Administration Building
1221 Oak Street
Oakland, CA 94612

Dear Board Members:

SUBJECT: FY 2011-12 MASTER CONTRACT AUGMENTATIONS FOR METHADONE MAINTENANCE SERVICES

RECOMMENDATIONS:

1. Approve a master contract augmentation in the amount of $50,000 for Addiction Research and Treatment, Inc. (ART) (Principal: Jason Kletter, President, Location: San Francisco, Master Contract: 900363, Procurement: 6553) for expanded methadone services to Medi-Cal eligible recipients for period July 1, 2011 – June 30, 2012, increasing funding from $1,443,334 to $1,493,334;

2. Approve a master contract augmentation in the amount of $20,000 for Lifeline Treatment Services, Inc. (Principal: Willie Collins, Executive Director, Location: Oakland, Master Contract 900093, Procurement: 6551) for expanded methadone services to Medi-Cal eligible recipients for period July 1, 2011 – June 30, 2012, increasing funding from $945,935 to $965,935;

3. Approve a master contract augmentation in the amount of $20,000 for Successful Alternatives for Addiction and Counseling Services (SAACS), (Principal: David White, Executive Director, Location: Lewisville, Master Contract: 900102, Procurement: 6562) for expanded methadone services to Medi-Cal eligible recipients for period July 1, 2011 – June 30, 2012, increasing funding from $596,683 to $616,683;

4. Waive the requirement that for-profit providers sub-contract twenty percent of services to a SLEB-certified vendor as that would adversely affect the delivery of client services;

5. Authorize the Director of Behavioral Health Care Services (BHCS) or her designee to negotiate and execute contract exhibits on the Boards behalf;

6. Authorize the Auditor-Controller Agency to increase appropriation and revenue per the attached Financial Recommendation.
SUMMARY:
BHCS is requesting the approval of contract augmentations with three providers of methadone maintenance services: ART, Lifeline Treatment Services, Inc. and SAACS, to meet increased demand for treatment.

DISCUSSION/FINDINGS:
In Fiscal Year 1994-95, (Sbokey vs. Smoley) the federal court ruled that Medi-Cal funded services are entitlement programs and must be provided to all eligible Medi-Cal beneficiaries. No person eligible for Drug Medi-Cal certified treatment services can be denied services or placed on a waiting list for such services due to budgetary constraints.

BHCS contracts with community based organizations to provide methadone maintenance services to Medi-Cal eligible opiate dependent clients in Alameda County. ART, Lifeline Treatment Services, Inc. and SAACS provide state certified methadone maintenance services. Based on current utilization, these clinics are expected to provide more services to Drug Medi-Cal eligible clients than their current allocations allow. BHCS expects this increase in utilization to be ongoing. The increased allocations will enable these providers to continue to deliver this much needed treatment to all eligible Medi-Cal beneficiaries.

SELECTION CRITERIA AND PROCESS:
BHCS has had long-standing contractual relationships with all three providers for the provision of methadone maintenance services. ART, Lifeline and SAACS are for-profit corporations which your board has previously approved as BHCS contractors. In the last few years both ART and SAACS have come under new ownership. ZDK, Inc. a for-profit (Principal, Joan Zweben, Ph.D) was purchased by ART and the new master contract was approved by your board on June 26, 2007 (file #22255/16A/B). SAACS, a for-profit (Principal Raymond McMurray) was purchased by Med Mark Corporation, and the ownership change was approved by your board on May 12, 2009 (file #24851/10). The selection of providers for contract augmentations with Drug Medi-Cal funds is based on utilization data and the demonstrated demand for more services at the providers' service delivery sites.

Complying with the requirement that twenty percent of services be sub-contracted to a SLEB would adversely impact the delivery of client services. BHCS requests that the Board allow all three providers to continue service delivery under the current contract requirements.

FINANCING:
Financing for this contract is funded from State Realignment and Federal Medi-Cal funding for Methadone Maintenance services. There is no increase in net County cost.

Respectfully submitted,

Alex Briscoe, Director
Health Care Services Agency

AB: FB, msn.kr
cc. County Administrator
    County Counsel
    Auditor-Controller
The use of Designations, as follows:

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The increase (decrease) in anticipated revenue, as follows:

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ORG TOTAL $45,000

GRAND TOTAL ANTICIPATED REVENUE $45,000

The increase (decrease) in appropriations, as follows:

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ORG TOTAL $45,000

GRAND TOTAL APPROPRIATION $45,000