

## STAFF REPORT

**BOARD MEETING DATE:** December 19, 2023

**CATEGORY:** Regular Calendar {{item.number}}

**SUBJECT:** Approve a retroactive renewal agreement with Vista Pacifica Enterprises, Inc., for adult residential treatment services in an amount not to exceed \$7,500,000, and designate signing authority for amendments and termination.

**DEPARTMENT:** Health and Human Services Agency- Behavioral Health and Social Services

**SUPERVISORIAL DISTRICT #:** All

**DEPARTMENT CONTACT:** Miguel Rodriguez, Director of Mental Health, HHSA Behavioral Health & Social Services Branch, (530) 225-5900

**STAFF REPORT APPROVED BY:** Laura Burch, HHSA Director

<b><u>Vote Required?</u></b>	<b><u>General Fund Impact?</u></b>
Simple Majority Vote	No Additional General Fund Impact

### **RECOMMENDATION**

Take the following actions: (1) Approve a retroactive renewal agreement, effective July 1, 2023, with Vista Pacifica Enterprises, Inc., in an amount not to exceed \$7,500,000 for residential treatment services for adults with persistent mental illnesses for the period July 1, 2023 through June 30, 2026; (2) approve and authorize the Health and Human Services Agency (HHSA) Director or their designee to sign amendments, including retroactive, that do not increase the compensation, and otherwise comply with Administrative Policy 6-101, *Shasta County Contracts Manual*; and (3) designate authority to the County Executive Officer, or their designee, to terminate this agreement, provided County Counsel concurs, and all other conditions are met.

### **DISCUSSION**

The proposed renewal agreement will allow Vista Pacifica Enterprises, Inc., (Vista Pacifica) categorized as an Institute for Mental Disease (IMD), to continue to provide long-term residential treatment for adults with severe and persistent mental illness as an alternative to placement in an acute inpatient care setting or a state hospital. Through this agreement, Shasta County can appropriately place mental health clients in need of intensive residential services at Vista Pacifica, based upon the client's specific treatment regimen.

Vista Pacifica, located in Riverside, CA, allows for the provision of 24-hour residential care to Shasta County residents who suffer from acute or chronic medical conditions and are severely and persistently mentally ill. Outside of placement in a state hospital, residential placement options for individuals with these comorbid conditions are limited. IMDs such as Vista Pacifica offer advantages to both the individual and to the County because they are less restrictive and less costly than placement in a State Psychiatric facility. Shasta County has contracted with Vista Pacifica for the last several years, with Vista Pacifica showing appropriate levels of care for each individual placed in the residence. Vista Pacifica has also been a good partner in working collaboratively on individualized treatment plans designed to reintegrate the individuals into the community when appropriate.

During the term of the renewal agreement, the Health and Human Services Agency (HHSA) Director, or any HHSA Branch Director designated by the HHSA Director, may approve rate changes, both retroactive and prospective, provided that the rate increase shall not increase the maximum amount payable under this agreement. If State Medi-Cal reimbursement rate adjustments occur during the contract period, rates within this agreement shall automatically adjust to meet the new State changes effective the date of the State rate adjustment up to the agreement's maximum amount, without amendment to this agreement.

This agreement is retroactive due to the vendor being unable to send the County updated rates until the month of June. Despite numerous attempts to reach out, rates were not posted from the Department of Health Care Services (DHCS) until that month.

Delegation and designation of authority to terminate this agreement allows for timely termination of this agreement by the CEO or their designee directly, in the event the contractor is unable to meet expectations, funding is no longer available, or services are no longer necessary, without having to return to the Board.

#### **ALTERNATIVES**

The Board could choose not to approve the recommendation, defer consideration to a future date, or provide alternate direction to staff, or approve one or only part of the recommended actions. If the Board chooses to not execute the agreement, clients currently receiving services may be redirected to less desirable out-of-county providers, if any are available, and services already provided by Vista Pacifica during the retroactive period would remain unpaid.

#### **OTHER AGENCY INVOLVEMENT**

County Counsel has approved the agreement as to form. Risk Management has approved the agreement. The recommendation has been reviewed by the County Administrative Office.

#### **FISCAL IMPACT**

The total cost of this agreement for Fiscal Year (FY) 2023-24 through FY 2025-26 is \$7,500,000. Costs incurred through this contract are funded through realignment dollars. Costs are on a fee-for-service basis and are only incurred when a Shasta County resident receives services at Vista Pacifica. The Mental Health budget in the FY 2023-24 Budget includes sufficient appropriation authority for the activities described in this agreement and will be included in future year budget submittals.

#### **ATTACHMENTS:**

1: Agreement